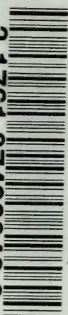
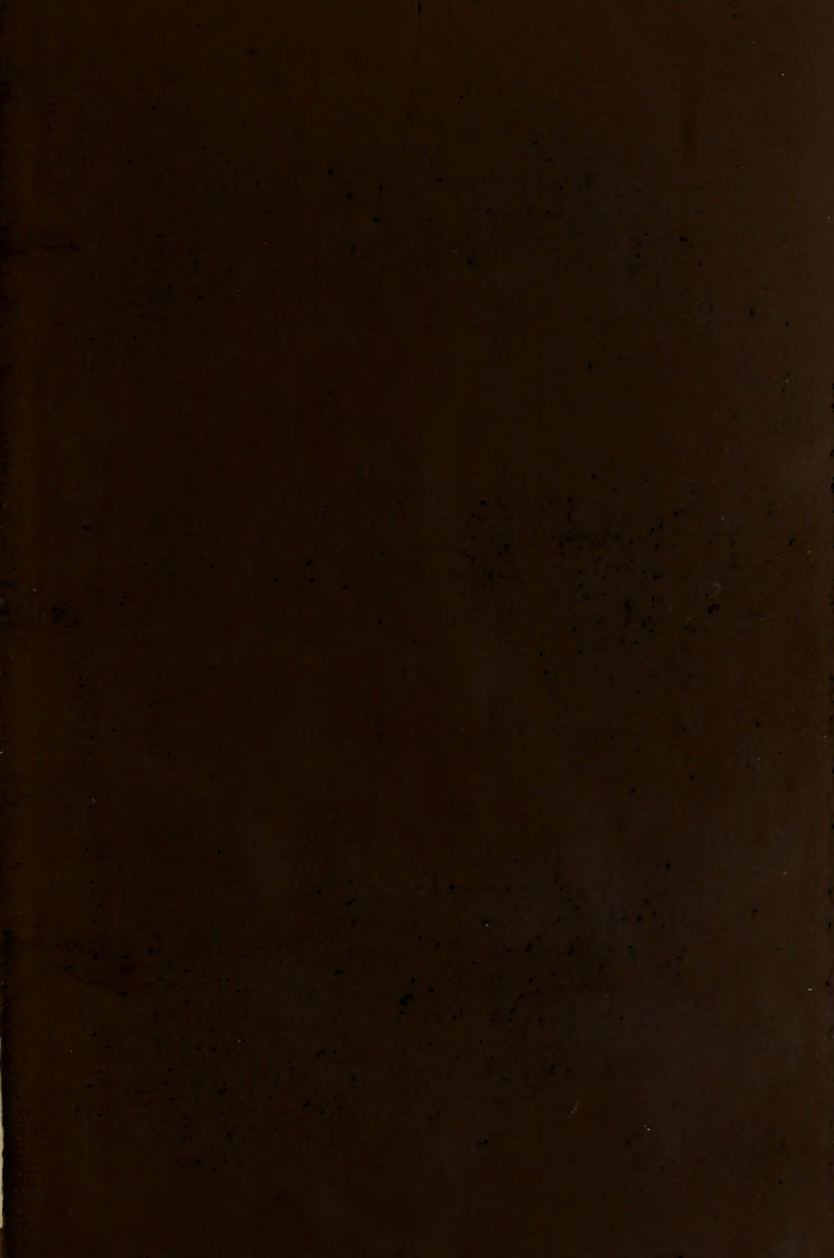


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* * The Publishers avail themselves of permission to print the following letter from a gentleman whose authority is as unquestionable in Historical Literature as in the Educational World.

81 LINDEN GARDENS, LONDON, W.,
August 4th, 1887.

MY DEAR SIR,—*When about thirteen years ago you informed me that you were going to publish a series of works on Commerce, its history and principles, I expressed to you my hearty good wishes for success in an undertaking for which I considered you pre-eminently qualified. The sentiments thus expressed allow me now to repeat. Since then, great changes have taken place—changes brought about in a great measure, I believe, by your own publications. The establishment of technical and industrial schools and colleges, which have recently been founded in all our great industrial centres, require now more than ever such guides as your books furnish. I therefore rejoice to learn that you are about to publish a new, improved, and enlarged edition of your great work. Teachers, no less than young men intended for commercial or industrial life, cannot but be very materially helped in their pursuits by the use of your books; and I sincerely trust that England may maintain that position in commerce and industry which seemed at one time to be threatened by our neglect of such scientific study.*

With heartiest wishes for the success of this fresh issue of your works,

I remain, yours very sincerely,

L. SCHMITZ, LL.D., F.R.S.E.,
*Late Rector of the Royal High School of Edinburgh, and
Examiner in Classics in the University of London.*

To Dr. JOHN YEATS.

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1887.

On a few of the Difficulties that retard the progress of Higher Commercial Instruction, and prevent the study of Commerce as a Science in England, adapted from a letter to the "Journal of the Society of Arts," by Dr. YEATS. London. July 1, 1887.

- I. *What chiefly prevents the wider study of Commerce in England?*
 - II. *Why is it promoted abroad as part of public School-instruction?*
 - III. *What can be learned of Commerce out of a Counting-house?*
 - IV. *Are Continental Trade-schools connected with the old Guilds or the Government?*
 - V. *Is there anything new or special in their preparation for business?*
 - VI. *Is Commerce rightly considered a science?*
 - VII. *What does the science of Commerce comprise?*
 - VIII. *Should it be systematically taught everywhere?*
 - IX. *Might not Industrial Universities interfere with business enterprise?*
 - X. *Are there any English Text-books for the study of Commerce?*
-

INDIFFERENCE is the greatest difficulty; and misapprehension of our true position causes it. Many say: "*Why should commerce be generally or even widely studied, when it concerns the mercantile part of the community only?*"

The mercantile part is the larger and more important one, and the principles of exchange affect every member of the community. Agriculture will not suffice for a growing

population like ours ; the best resource now is the deck of a merchantman, or a desk on 'Change.

Seven hundred individuals leave our country every day, literally to "seek their fortunes;" and how are they prepared for the task? Even after their departure, eleven hundred others, strangers, need providing for. Of the two great factors of wealth,—materials and intelligence,—*the latter only* can be multiplied and made common property; happily it is the more valuable. On this head Mr. Robert Mallet said after the International Exhibition of 1862:—"In the absence of the sovereign gifts of natural wealth,—prosperity, comfort and power may, by seeking and employing artificially-made channels of industry, be largely developed. Thus it was with the Dutch, once prayed for in English liturgies as 'the poor and distressed States of Holland,' with a bleak and damp climate, and a sterile soil presenting nothing but a flooded bed of sand and silt,—who achieved in the teeth of every disadvantage, the highest mercantile prosperity, a paramount maritime prowess, and became the founders of great and distant colonies."

INSULAR PREJUDICE prompts many others to say: "*Because our neighbours choose to go to school to learn business, need we do the same?*" *Why do they do it?*

In comparing ourselves with others, we must remember that a century ago, the introduction of steam-power gave to England a preponderating advantage. Our possession of beds of coal and of iron ore promised to secure that: but the rest of the world thought it desirable and possible to find in the more genial diffusion of mental power a countervailing agency to our increased material force. Continental philanthropists and patriots urged that "the mind of a nation is more valuable than its soil." Statesmen welcomed the idea with enthusiasm. Humboldt and kindred spirits were appointed ministers of public instruction. Chosen bands,—nay battalions, of teachers were enrolled,

and disciplined to do the state the noblest service. It was never supposed that the general ability and the good will of an operative could be multiplied or intensified like the leverage and the steam-power of an engine,—*the contrary was felt*; and a *science of education* arose, as a result of the study of the human being to be educated, no less than of the departments of human knowledge,—yet, out of that study came many divisions and subdivisions of instruction both in universities and in polytechnic institutions.

“But what,”—it is continued, *“can be learned of commerce in schools, or anywhere out of a counting-house?”*

The reply is clear. A counting-house is a place in which commercial knowledge must be used rather than sought. Abroad, a youth at school studies the sources of supply for the goods he must hereafter deal in. There he is made acquainted with the laws and conditions of soil and climate, and afterwards brought into contact with specimens of produce in Trade-Museums, from different Trade-Areas; these he is required to examine and describe methodically. He is habituated to scientific nomenclature,—which is suggestive not merely of the natural relationship among things, but of their chemical composition and valuable properties. He learns the “Natural” in contradistinction to the “National” Divisions of Commerce,—the resources of countries, rather than the names of their Ruling Powers. He studies the progress of the Useful Arts everywhere; the Growth and Vicissitudes of Commerce in all ages. From the outset, he is accustomed to a kind and degree of intellectual discipline that must beneficially affect him.

Inquiry is further made, *“Whether Continental Trade-schools are in any way connected with the old Guilds, or with the Government?”* Not necessarily with either! Influential merchants and manufacturers, foreseeing the effects of the dissolution of the Guilds, and of the adoption of

“free industry,” with its irresponsible action among capitalists as well as its uncontrollable combinations among operatives, bethought them of higher culture as the best means of promoting a good understanding among all parties. “Let us establish,” said they, “by the side of the universities, Polytechnic Schools and Technological Institutes. Let us, by means of Art Galleries, Drawing-Schools, Apprenticeship-Schools, Continuation-Schools, Trade-Schools, and Trade Museums, bring the means of living more into harmony with the great ends and aims of life. Let us train head, heart, and hand together. To the study of the Word let us add the Works of God.”

No opposition was raised, and there was virtually no attempt made to retain the monopoly of the ancient Guilds, or to resuscitate a single League; yet the discipline that had marked them all, their love of excellence, and their allegiance were reverently preserved.* It was felt that in most departments of industry, except agriculture, “there was periodically a want of some renovating and regulating power.”

Government aid was invoked only for inspection and approbation. Here and there Schools of Commerce were warmly encouraged by dispensations from military service in favour of exemplary students.†

Next, it has been asked, “*Whether there is any novelty or speciality in the Continental preparation for business?*”

Nothing, known to me! The canons of instruction in

* For details of the transition, see Zschokke’s *Labour stands on Golden Feet*, caps. xix. and xx. G. Philip & Son.

For practical measures, see *Das Gewerbewesen im Königreiche Bayern, diesseits des Rheins*, München, 1859. Or, *Ein gewerbliches Fragenbuch*, by Dr. Karl Karmarsch, 1877.

See also *Technical Training*, by T. Twining, Twickenham.

Education, Scientific, and Technical, by Professor Robert Galloway. London: Trübner & Co.

† Rothschild’s *Taschenbuch für Kaufleute*, p. 4.

Commerce, I incline to think, comprise something like the following, for ground-work :—

It has been observed that certain modes of procedure in business recur from generation to generation. These are the unwritten laws—the prescriptive usages of Trade,—to be learned, and understood.

In all transactions, mercantile or otherwise, there is a safe course and an unsafe one, a right course and a wrong one. It is important to adopt the former and avoid the latter.

Good fortune or the reverse cannot be a matter of indifference ; but in business we must trust nothing to luck or chance.

For each legitimate calling there must be due preparation, and for permanence, organisation ; to ensure excellence on the one hand, and to remedy the effects of illegitimate trading on the other.

Every calling in life relates to the mind or the body. Commerce is concerned chiefly with material necessities ; and commercial men are rather men of action than theorists. All theories and speculations need practical tests. “As the downward curve of a rocket or the fall of spray in a fountain, is caused by gravitation, so all flights of fancy or mere surmises, must be subdued by what Bacon calls the wisdom of business.”

Where that wisdom of business prevails, commercial pursuits are assuredly not soul-debasing, or injurious in any sense, to any body. There should be no conflict or contempt between merchants and men of learning : for in their highest development they approach each other, like the opposite sides of a pyramid, and culminate in the character of the Statesman, the Consul, or the President of a Chamber of Commerce.

I have very often been asked : “ *Why is Commerce called a Science?* ” *Why do the French write “les Sciences du Commerce” ?*

Commerce is a compound word, from “commutatio mercium,” meaning, “the *exchange* of merchandise,”—which must be all drawn from one of the three Kingdoms of Nature. It may be “raw produce,” as drugs, gems, minerals, wild-fowl, fish, &c., or,—manufactured commodities. Exchange itself, is necessitated by the structure of the globe. “*Non omnis fert omnia tellus.*” It is a characteristic of humanity, and underlies civilisation: “Man alone balances, yet deepens our mutual dependence by the arts of exchange.”

Science has been defined: Knowledge of natural laws derived from a knowledge of facts. Theologically expressed, science is simply Man’s knowledge of God’s ways; which are unalterable, yet mercifully discernible. Thus while we may smile at the expression “Science of Commerce,” it nevertheless begins and ends in a study of Nature, and no competent judge doubts the soundness of principles so based. Nor, can any sane man see our supremacy in manufacture and trade challenged in all markets, and our goods as well as our aspirants for mercantile employment at home, beaten by Dutchmen and Germans, without admitting that there must be something of value in the kind of training that accomplishes such things.

What does the “Science of Commerce” comprise in its entirety?

It comprises an acquaintance with Commercial History and Geography; Social and Political Economy; Mercantile Occupations; Goods, in all varieties; Currencies, Weights and Measures; Bullion and Exchanges; Transit and Transport; Insurance and Securities of all sorts; Consular Duties; Chambers of Commerce, &c.

A good commercial man must be an adept in—Correspondence in several languages, General Commercial Law, Accounts, Usages in different countries, International Obligations and Means of Communication.

Why *should Commerce be systematically taught everywhere?*

Because without Commerce industry must be intermittent ; crops would not be raised unless a market could be found for them ; our farms and our plantations might all be abandoned. Again, of two spots equally favoured by Nature, if one be cultivated and the other not, which redounds most to the credit of human nature and to the glory of God? What else than culture can lead to the full appreciation of the "Earth-Gifts" of Divine Providence, and qualify us to appropriate them everywhere? How else is "the field to become a fruitful garden, and the wilderness to blossom as the rose"?

In 1878, I ventured to say:—"By higher commercial education I do not mean that which leads a youth to look merely for a higher rate of interest on capital, or of profit in business, but, *that which trains him to appreciate fully the objects, advantages, and pleasures of a commercial calling.* Such an education would fit him to compete with all comers ; to be prepared to keep faith with everybody ; to value justly whatever is valuable ; but not to expect uniformity of weight, measure, custom, or opinion throughout the world."

The question has sometimes been asked, *Might not the training of an industrial "university" be prejudicial to business-energy and enterprise?*

I answer, No! it would promote both! Most likely it would rouse the latent ambition of a youth ; it would go far to preserve that integrity of soul which scorns a mean action, which maintains credit intact all over the globe, which upholds international morality, law, and liberty. Further—extended and more elevated culture in commercial colleges would promote greater energy and enterprise. It would, as nothing else could, make young men acquainted with the different regions of the globe ; it would show the prospects of trade, where industry is rising,

where falling, and why. By educating young men together it would raise them, as it were, from the level of solitary anglers to that of systematic fishermen ; it would lead them from dreaming of baits and hooks only, to the study of supply and demand together with all the sciences of commerce.

In manufacture we have advanced from simple tools to combinations of them in machinery ; and so in commerce, we have passed from the scope of individual aptitudes to the range of co-operative intelligence.

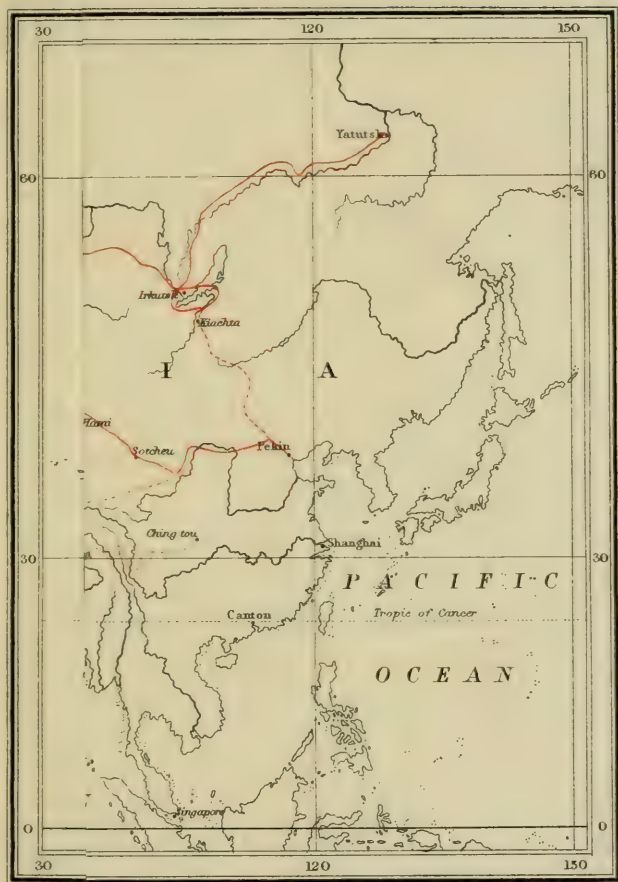
JOHN YEATS.

CHEPSTOW, *June*, 1887.

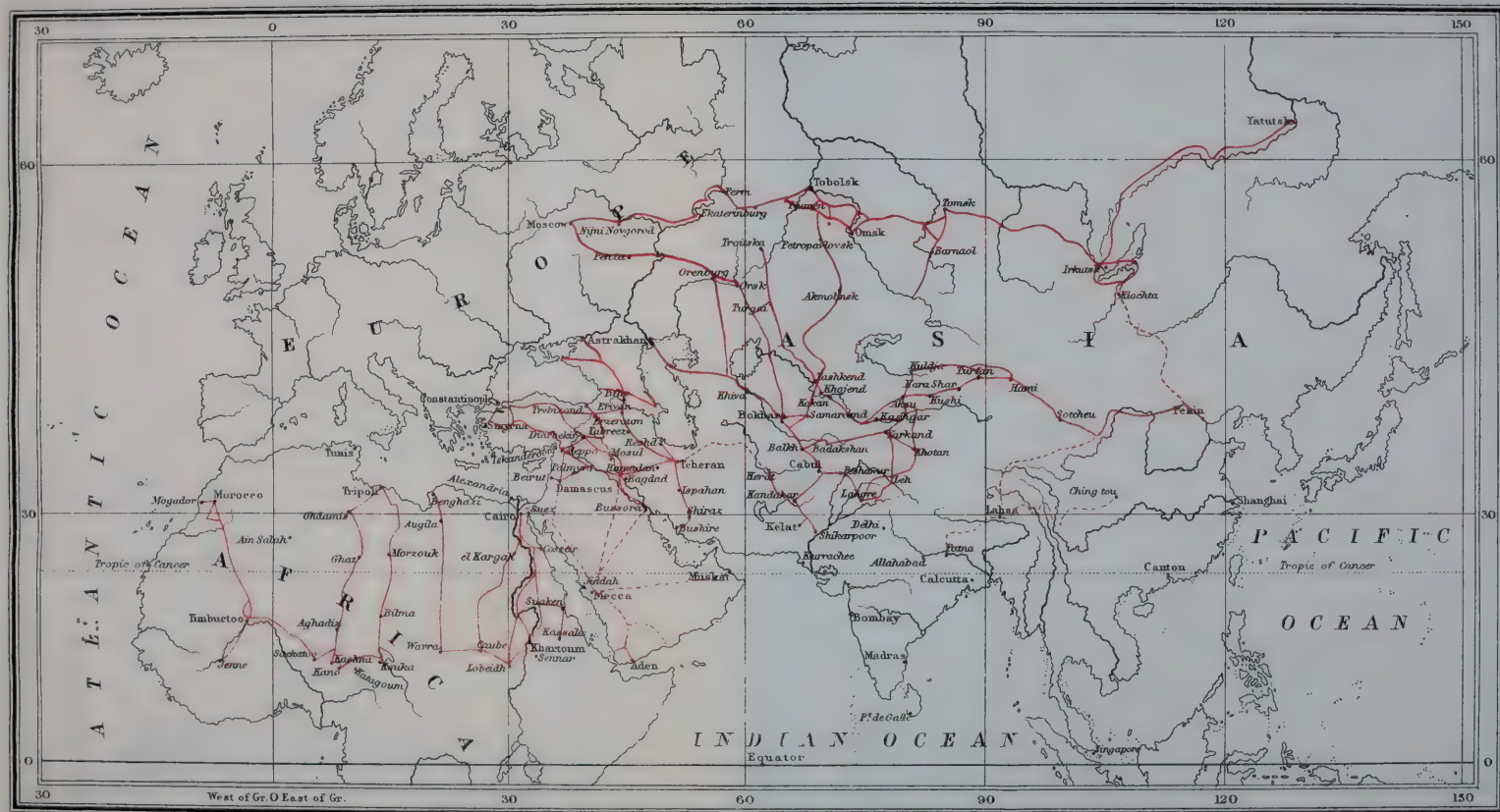
P.S.—In reply to query No. X., I shall be especially gratified if any of my works prove useful to the students who avail themselves of the Commercial Examinations of our Society, and thus promote the aims of our late President, the illustrious Prince Consort, as well as those of H.R.H. the Prince of Wales, his successor, and the founder of the Imperial Institute.

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*AN HISTORICAL NARRATIVE OF THE INDUSTRY AND
INTERCOURSE OF CIVILISED NATIONS.*

BY

JOHN YEATS, LL.D.,

FELLOW OF THE GEOLOGICAL AND THE STATISTICAL SOCIETIES,
AND TWELVE YEARS EXAMINER IN COMMERCIAL GEOGRAPHY AND HISTORY
TO THE SOCIETY OF ARTS, LONDON.

ASSISTED BY SEVERAL SCIENTIFIC GENTLEMEN.

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"Una fides, pondus, mensura, moneta sit una,
Et status illaesus totius orbis erit."

"One faith, one weight, one measure, and one coin,
Would all the world in harmony conjoin."

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TO
LEONHARD SCHMITZ,
PH.D., LL.D., F.R.S.E., &c.,

WHOSE LIFE-WORK

ILLUSTRATES

THE TRUE VOCATION OF A SCHOLAR AND A TEACHER,

AND THE EVENING OF WHOSE LIFE

IS CHEERED

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OF PUPILS WORTHY OF HIM,

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“The picture presented by modern history ought to convince those who seem tardy in apprehending the instruction which it is fitted to convey. Let it not be feared that the predilection for industrial progress, and for those branches of natural science most immediately connected with it, which characterise the age in which we live, has any necessary tendency to check intellectual exertion in the fair fields of classical antiquity, history, and philosophy ; or to deprive of the life-giving breath of imagination the arts and the literature which embellish life. Where all the blossoms of civilisation unfold themselves with vigour under the shelter of wise laws and free institutions, there is no danger of the development of the human mind in any one direction proving prejudicial to it in others. Each offers to the nation precious fruits,—those which furnish necessary subsistence and comfort, and are the foundation of material wealth,—and those fruits of creative fancy which, far more enduring than that wealth, transmit the glory of the nation to the remotest posterity.”—HUMBOLDT'S *Cosmos*.

GREAT BRITAIN, ITS COLONIES & DEPENDENCIES.



PREFACE.



WERE the sixty-five or more territories composing the British Empire to be all joined together, and then equally divided as a gigantic chess-board, the United Kingdom would hardly occupy in it the space of a single square.

Yet from such a corner or centre, we Englishmen are expected to maintain some degree of authority, and exercise some amount of beneficial influence, over the rest of the people, or else we lose control. The loss of supremacy on our part would be serious to all concerned, hence we involuntarily ask, "How was the ascendancy gained, and how can it best be preserved?" The answer in both cases must be, "Principally by commerce." A brief history of the growth and vicissitudes of commerce, therefore, seems scarcely to need a preface, though it may well require an apology for its inevitable incompleteness. But another question may be put: "What can the study of such a subject avail any one, except a mercantile man?" Let us see.

Commercial knowledge resolves itself into the right apprehension of facts or phenomena of many kinds, of their sequences or tendencies, and of their results. These have been observed in all ages, and they are well known to be governed by fixed principles. There is in every commercial transaction of any magnitude a chain of causation in which link joins link, and each will bear testing though

Let me conclude with the following remarks by an eminent writer, William Playfair of Edinburgh, on the importance of a study of the growth and vicissitudes of commerce in all ages :—

“Wherefore should there be two opinions concerning the utility of an inquiry into those mighty events that have removed wealth and commerce from the Euphrates and the Nile to the Thames and the Texel? Does not the sun rise, and do not the seasons return to the plains of Egypt and the deserts of Syria, the same as they did three thousand years ago? Is not inanimate nature the same now that it was then? Are the principles of vegetation altered? Or have the subordinate animals refused to obey the will of man to assist him in his labour, or to serve him for his food? No; nature is not less bountiful, and man has more knowledge and more power than at any former period; but it is not the man of Syria or of Egypt that has more knowledge or more power. *There he has suffered his race to decay, and, along with himself, his works have degenerated.* When those countries were peopled with men who were wise, prudent, industrious, and brave, their fields were fertile and their cities magnificent, and wherever mankind have carried the same vigour, the same virtues, and the same character, nature has been found bountiful and obedient.”

J. Y.

CHEPSTOW.

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PART I.

ANCIENT COMMERCE.

CHAPTER I.

INTRODUCTORY.

BEFORE the arts of cultivating the ground and of domesticating animals were acquired, food must have been chiefly the produce of the chase, supplemented by wild fruits and roots, or obtained by fishing. A forest or a cave served the hunter for shelter, and skins of animals for clothing, while feathers and shells gratified his taste for display. His few wants he himself supplied. There was then no common bond to unite men beyond the temporary one of family ties, retained where necessary for mutual defence, after the family had expanded into the clan or tribe.

The life of the hunter is one of continual struggle. Confined to the area within which his game is to be found, he looks upon his fellows as additional consumers of food to be gained only by toilsome labour. The policy of savage tribes who subsist on the produce of hunting has always been to wage war to the death in order to lessen the number of consumers, and thereby secure a more plentiful supply of food. It was a great upward stride when such tribes undertook the rearing of cattle. Sustenance for these animals was found in the plains, and varied with the seasons, or with the supply of

water. Shepherds and herdsmen, moving from place to place in quest of grass, could not, however, form large communities. Tents easily pitched and easily struck were their habitations, and in these we find the first approach to domestic arrangements. Milk and cheese were the regular food. The amenities of family life began. Patriarchal government arose; and, where similar conditions remain, still remain. There was little interdependence, or surplus produce.

The pastoral life is one of comparative indolence. With food and clothing easily procured, there is no strong motive for exertion. The flocks and herds are kept within due bounds, alike by the limits of available pastures, and by the slaughter rendered necessary to meet the demands of human consumption. Tillage was a later development of industry and intelligence. Long experience would be required to foster the growth of fruits, or to utilise the powers of production latent in the soil. While tribes wandered about in search of pasture or food, all property was necessarily portable; but when the husbandman began to labour in the fields, the institution of property must have been generally recognised, and man must have felt the right of possession not only in the produce of his labour, but also in the land. Had the harvests been liable to be carried off by others, his labours would have ceased, and the land have lapsed into unproductiveness.

With agriculture, therefore, came fixed habitations; and with the rights of property, the means of protection. The social conditions of husbandry gave birth to communities. Each member of a household contributed to the common stock of food and clothing; but it would soon be observed that particular members had special aptitude for certain kinds of work. Thus would arise the practice of division of labour, one man confining himself to ploughing and digging, another to building, another to tending cattle, while the making of clothes and the preparing of food would

occupy the women. Division of labour necessitated interchange, the produce of every branch of industry being shared by the whole community. Wealth would accumulate in the hands of the thrifty, while those who were deficient in knowledge or skill would want even the necessities of life. Social inequalities thus originated ; war and its invariable attendant in olden times, slavery, gave rise to castes and the distinctions of rank.

The first settled form of government was a mixture of the patriarchal and the plutocratic. The chiefs were the oldest or the wealthiest of their tribes. Laws were made imposing restrictions, to which each member of the society submitted, giving up his right of self-guidance, and taking upon himself the responsibilities of social duty.

Material progress was now more rapid. The art of working in metals was acquired. Rude tools and implements of wood, flint, and bone were superseded, after the discovery of the art of amalgamating copper and tin, by others made of bronze. The grand impetus to production, however, was given by the employment of iron, which became and has remained one of the mightiest aids to human industry. The farmer, builder, and clothier, furnished with improved implements, found the productiveness of their labour greatly increased, while the primitive miner, the smelter, and the manufacturer became the pioneers of a new productive power, scarcely second to that of husbandry.

Important to human prosperity as barter must have been, in practice it was troublesome, and rendered production intermittent, while perishable or bulky commodities could not always find customers. The introduction, in the form of bullion and for the purpose of exchange, of the precious metals, which had before been only prized for ornaments, multiplied handicrafts and tended to make trade permanent instead of fluctuating. Gold and silver are scarce metals ; they are of small bulk in proportion to their value, they are comparatively indestructible, and the annual increment

from the mines has under ordinary circumstances little perceptible effect upon the previous stores. This unique combination of properties adapts the precious metals so admirably for a medium of exchange, that they were thus employed in very early times, while their use has become universal and has never been abandoned. At first payments in gold and silver were made by weight. The transition to the custom of stamping as a guarantee of weight and fineness, was an easy and natural step, although not taken until a much later period. Such stamped pieces of precious metals, or money, are called coins, and the value of commodities, measured in money, is called price.

Besides interchange amongst its own members, a civilised community seeks communication with other communities. A union of interests would lead to an acknowledgment of common principles of rectitude and social administration.

Luxuries introduced by exchange fostered a desire for their continuance and increase, and by stimulating the search for new sources of gratification, encouraged a love of enterprise. The first traders were adventurous travellers. Their commodities were necessarily portable and precious. Their exploits inspired others, who had become wealthy in the practice of peaceful arts, to seek improvement and social intercourse abroad, and chieftains carried with them, or sent by their sons or trusted messengers, propitiatory presents, an Oriental custom even to this day. Explorations extended geographical knowledge, which stimulated the love of gain and of power; the former showing itself in national intercourse, the latter in the dominion of the most enterprising races. One other agency—that of emigration—at first sight, apparently, detrimental to well-being, inasmuch as it deprives a nation of industrial power, has enlarged the bounds of commerce. Mutations of climate, convulsions of nature, religious fanaticism, or war, have at times caused scarcity and danger. An exodus has ensued, new societies have arisen imbued with old traditions, and maintaining

an intercourse with the mother-country. The colonies of Phœnicia and of Greece exemplify such a development.*

* “An ancient kingdom in the north, either in Friesland or Scandinavia, was once visited by a famine. The people assembled, and the majority decreed that every tenth man with his family should quit the country. Lots were cast, and those on whom they fell departed from their native seats amid the lamentations of their friends and kinsmen; the mothers in deep dismay leading out their helpless infants. In three bands, under three leaders, came forth six thousand hardy gigantic men, with their wives, children, and most valuable effects. They swore never to forsake each other, and they prayed to God to grant them a land like that of their forefathers, where they might graze their cattle without fear or molestation. God brought them to a vale in the Alps,” &c.—*A tradition of one of the Alpine Valleys, narrated by Zschokke.*

CHAPTER II.

GENERAL CONSIDERATION OF COMMERCE.

COMMERCE, properly so called (*commutatio mercium*), relates to the interchange of property between individuals or nations. Its history presents various aspects. I. The connection of commerce with the social condition of mankind. II. The modes of commerce practised between nations. III. The constituents of commerce. IV. The chronological development of commerce.

I. *Its connection with Social Conditions.*—The savage state was essentially aggressive and non-commercial. When every man ministered to his own wants—and there may be parts of the earth where he thus still ministers—he could enjoy little or no social intercourse. The only approach to exchange known to barbarous tribes even now is conducted by superior races, who barter comparatively worthless trinkets, or ardent spirits and gunpowder, for furs and other valuable natural products. In the pastoral condition again, the elements of society were non-progressive, and there was no real trade, although there might have been occasionally a trifling barter. In agricultural life the varying surplus of different regions supplied the respective deficiency of each, and stimulated the industry of all. Nevertheless, the range of commerce could not have been great while slaves were the agricultural labourers and the chief artisans, slave-owners the only men of property, and slave-traders the principal merchants. Eventually, the enlargement of trade required the time and energies of a special class of men, who travelled from place to place, observing where commodities were to be spared and where they were wanted,

and who negotiated for the transference. Such men were called merchants, and formed the distinctive feature of commercial life. The result of their labour has been to link distant countries together and to promote international progress; to equalise the blessings provided by nature; to diffuse widely the necessities and comforts of life, at the least expenditure of human toil or suffering. Successful commercial transactions required special powers of foresight and combination, for the merchant had not only to supply the actual wants of a locality, but also to anticipate its probable wants, and thus aid in removing that scarcity to which a large amount of vice, crime, and misery has always been traced.

II. *Modes of Commerce.*—1. *Land Traffic.*—In its infancy trade was carried on overland. Man did not at first trust to the unknown waters even of rivers, but confined himself to narrow routes between the various states. The dangers which beset a solitary journey led to the practice of travelling, at fixed seasons and in companies, whereby mutual protection, as well as the enjoyment of social intercourse, was obtained. The earliest caravan trade of which any records are extant had its centre in Egypt, the geographical position of that country making it a convenient meeting-place for both Occidental and Oriental merchants. The fertile valley of the Nile was the cradle of the social polity, the arts, and the sciences of Phœnicia and of Europe. Of even more remote origin, possibly, was the caravan trade of Bactria, now Bokhara, the country beyond the mountainous border of North-west India, where, as to an emporium, products of the unknown eastern regions of Asia were brought, to be exchanged for the merchandise of the West. Thus the district over which overland traffic extended coincided with the geographical range of the camel—an animal whose association with the caravan trade from the earliest times has entitled it to the name of the “ship of the desert.” The route of a caravan westward, laden with silks and

precious stones, ivory, pearls, and spices, was by way of Herat in Afghanistan, and Ecbatana in Persia. Besides these cities, the halting-places were valleys and plains fertilised by water, and described by the refreshed and grateful travellers of old as paradises upon earth. In India caravans seem not to have been common, the merchant usually travelling alone; and here the camel was represented by the elephant.

2. *River Traffic*.—In time traders acquired sufficient confidence to entrust themselves and their wares to the easier transit of rivers, wherever facilities for such means of communication existed. The Nile must have been thus utilised at a very early period. Its course downwards to the sea was well known; and Meröe, on the confines of Egypt and Ethiopia, one of the most renowned cities of the ancient world, owed its importance to its position on the Nile. The Suez Canal, one of the greatest engineering works of our own day, restores, and partly follows, the line of an older canal, the date of the construction of which cannot now be fixed, but which connected the river with the head of the Red Sea. The river commerce of the Tigris and Euphrates, furnishing an easy mode of reaching India, was of still greater importance than that of the Nile. The Indus and Ganges, as well as the grand river system of China, were in all probability similarly employed, but our information relative to them is scanty. Better known to us, from the Roman and Greek historians, is the use made, at a later period, of the Rhone, the Rhine, the Po, the Danube, the Don, and the Volga. River commerce, thus far, was combined with that carried on by means of the caravans. It received a great impetus when men learnt to venture along the coast, and ultimately upon the bosom of the sea. Important, however, as river trade was in this first period of commercial history, it bears no comparison with that of times like our own.

3. *Maritime Coasting Trade*.—Maritime commerce was

the natural sequence to that along the courses of rivers. Where estuaries and harbours on the sea-coast presented advantages for ships, cities arose, and the conveyance of goods was carried on partly by water and partly by land. This division of traffic led to a corresponding distinction between the persons who were thus engaged. The interchange of commodities between distant nations was conducted by several sets of hands. The original producers, in caravans, or as individual dealers, conveyed their wares overland to the river depot or seaport, where they exchanged them for other commodities brought by the traders of the maritime nations, who, as agents or factors, consigned their freights again, at the end of the voyage, for inland distribution. Rendered bolder by increase of knowledge, merchants discovered that they could sail upon the Persian Gulf with as much safety as upon the Tigris and Euphrates, and that, by taking advantage of the monsoons, they could reach the coast of India without losing sight of the land. Voyages foreshadowing ocean commerce soon became organised into a system of departures and returns, according to seasons, as perfect as that regulating the caravans. At a later date the Mediterranean was the chief seat of the carrying trade. Nevertheless, ocean commerce, as we understand it, was unknown and impossible to the ancients. The Mediterranean was to them literally the middle of the earth. The sea beyond was filled by their imagination with vague and impassable terrors. According to one geographer, Ptolemy, our earth was encompassed by ice at about 63° N. lat. and by fire at the Equinoctial. The commercial zone lay between the Tropic of Cancer and 40° N. lat., but was afterwards extended to 45° N. and 10° S. lat.

III. *Constituents of Commerce.*—Under this division an interesting comparison is made of the number, quantity, nature, perfection, and climatal or geographical conditions of production of the commodities upon which has been based the commercial intercourse of individuals and com-

munities in various ages, and in different parts of the world ; from the barest necessities of primitive life to the manifold requirements of the most refined civilisation. Each age and country had its characteristic resources, and men learnt to supply their wants and gratify their tastes with other productions than those they locally inherited. Luxuries enjoyed at first only by the wealthy, became in time easy to procure, and ranked as necessities or semi-necessaries of life. The magnitude of the subject may be perceived by a single illustration. In recent times we have added to domestic comforts, amongst other things, tea, coffee, sugar, potatoes, spirits, beer, tobacco, cotton, butter, and fish-oils—commodities of which the polished Greeks and luxurious Romans scarcely knew the existence.

IV. *Chronological Development of Commerce.*—The divisions of commercial history in the order of time, collateral with the rise, culmination, and decline of the principal political states, may thus be summarised:—1. Ancient Commerce, from the earliest times to A.D. 476 (Fall of Western Roman Empire). 2. Commerce of the Middle Ages, from A.D. 476 to A.D. 1500 (Discovery of America and the Sea route to India). 3. Modern Commerce, from A.D. 1500 to the French Revolution, A.D. 1789. 4. Recent Commerce, from 1789 to 1872.

First Period: Ancient Commerce.—Barter is as old as the beginning of history. The records of the Oriental empires date from a hoar antiquity ; and the first traditional information received of China, India, Persia, Assyria, Phœnicia, and the African states of Ethiopia and Egypt, is of nations pursuing an established or extensive commerce, and enjoying the refinements of a high degree of wealth and civilisation. The Phœnicians were typically the nation of traders. Through their annals we obtain the clearest glimpses, if not the only authentic accounts, of the ancient world, whose narrow horizon was continually being widened by their commercial enterprise. Through the Mediterranean

commerce we get a partial insight into Etruscan manners and customs, and view also the infancy of the system of colonisation. The Greek-Carthaginian period extended from B.C. 450 to the fall of Rome. The Romans themselves soon began to condemn agriculture, and to neglect industrial and commercial pursuits; their name is consequently not used to designate any epoch in economic history.

Second Period: Commerce of the Middle Ages, A.D. 476—1500.—This commercial period, from the fall of the Western Roman Empire to the discovery of America by Columbus, and of the sea route to India by Vasco de Gama, coincides with the Middle Ages of general history. Its duration was about a thousand years. It was an age of great events. It saw the birth, growth, and collapse of Arab power, the Crusades, the rise of the Italian municipalities, and of the Hanseatic League.

Third Period: Modern Commerce, A.D. 1500—1789.—Roughly dividing this period, from the discovery of America to the French Revolution, into three successive centuries, the first century may be designated the *Age of Discovery and Colonisation*, the second the *Age of Dutch Commercial Supremacy*, and the third the *Age of English Commercial Supremacy*.

Fourth Period: Recent Commerce, from 1790 to 1885.—This last commercial period, from the French Revolution to the present time, or Commerce of the nineteenth century, may be separated into a well-defined tripartite arrangement, marked by alternations of commercial policy. 1. From 1789 to 1815, comprising the years of the French Revolution, and of the First Empire, a period commercially distinguished by the Continental System, established by Napoleon's Berlin and Milan decrees, and by the retaliatory blockade of Europe by England. 2. From the peace of 1815 to 1846—the age of protected industries, and of the British Corn Laws; during which period every European state was inspired with the spirit of resistance to

the preponderating productive power and commercial pre-eminence of the United Kingdom; a spirit embodied by the Zollverein, or Confederated Customs Union of Germany.

3. The period from 1846 down to 1885, signalised by the abolition of the British Corn and Navigation Laws, by the removal from our Statute Book of all protective restrictions upon manufactures and commerce, by the inauguration of free-trade both as a principle and a practice, by the unexampled accumulation of British wealth, and by the gradual adoption in other countries of free-trade principles.

CHAPTER III.

PHŒNICIA.

PART I.—PRIMITIVE LAND TRADE.

PHŒNICIA, in whose annals the path of ancient commerce first becomes distinct, took part in overland, river, and maritime trade. Its position in the Levant gave it the command of the Mediterranean. This sea was the scene of its earliest enterprises, and from its shores were obtained those commodities which it interchanged with the great commercial states of Asia. Traffic was an instinct with its adventurous people, and took its rise in pre-historic days. For many generations they sought the profits of commerce from every state belonging to the three continents washed by the Great Sea. The Phœnicians were already a nation before the Israelites entered the Promised Land. In the early Hebrew history Phœnicia was included in the general designation of Canaan. From its proximity to the Jewish nation, the history of the two states became closely connected, and a graphic account of Phœnician prosperity is to be found in the twenty-seventh chapter of Ezekiel.

Phœnicia was not properly speaking a kingdom, but a confederation of independent cities, of which Sidon ("Great Zidon") was probably the metropolis, until Tyre, the "eldest daughter of Sidon," situated twenty miles south of that city, outgrew her parent in importance. The island of Arvad, known also as Aradus, opposite which stood Antaradus, Zaraphath, or Sarepta (noted for its manufactures), Byblus, and Arka, were amongst the minor civic states. Tyre, Sidon, and Aradus, in conjunction, founded Tripolis,

or the triple city. Later, Berytus became an important place, and is still an Oriental emporium under the modern name of Beyrout. These cities were bound together by a community of interests, and the common worship of Melkarth, the Tyrian Hercules, called Baal in the Scriptures, strengthened political union. The Phœnicians were engaged in manufactures and trades, and though they defended themselves with skill and courage when attacked, were a peaceful people. Their colonies were established, not for the sake of extended dominion, but to serve as centres of commerce.

Nebuchadnezzar besieged Sidon, and laid it in ruins, but was unable to subdue Tyre. New Tyre superseded Old Tyre in wealth and importance, but it was compelled to submit to Alexander the Great, after a seven months' siege. The villages occupying the sites of the great cities of Sidon and Tyre, under the modern names of Saide and Sur or Tsur, are now petty fishing hamlets. Small villages also indicate the position of most of the other cities.

Phœnicia, a prey in turn to Assyrian, Babylonian, Persian, Macedonian, and Egyptian greed, still retained in its position and natural resources a vitality which made it an important Roman province. Tyre was one of the last places held by the Christians against the Saracens, and only from this epoch dates its final and utter ruin. The site of the ancient city is now mostly covered by the sea.

Although the Phœnician trade was essentially marine, yet their inland trade was also extensive and valuable. With their neighbours, the Jews, their relations during the reigns of David and Solomon were very intimate. Hiram supplied David with cedars, and sent skilful metal-workers to Jerusalem to aid in building the king's palace, and in the erection of Solomon's Temple Jewish hewers of wood joined with those of Sidon in felling the timber of Lebanon. The resources of the two contiguous states differed greatly. Phœnicia produced scarcely any grain, but fruits, timber,

and metals were abundant. Palestine was in great part a fertile river-plain, producing fine wheat, barley, millet, wine, and oil, as well as balm, honey, gums, flax, byssus, cotton, and wool, which the Tyrian princes were ready to receive in exchange for timber, gold, dyed cloths, metal-work of bronze and tin, glass, pottery, jewellery, and carved ivory, the produce of their foreign traffic, or of their home industry.

The Jews carried on an extensive inland traffic, as factors or middlemen for the Phœnicians. The conquests of David extended the confines of the Hebrew kingdom to the Syrian desert, and southwards over the land of Edom to the Red Sea, on the shores of which Solomon built the ports of Elath and Ezion-geber. The latter monarch also built Tadmor in the wilderness, called by the Greeks Palmyra, or the City of Palm-trees, as a halting-place for the caravans between Syria and Mesopotamia. The name of this city shows that it owed its foundation to the existence of an oasis. Its ruins still attest its ancient grandeur. Baalbek, or Baalath, to the west of Anti-Libanus, was enlarged and fortified by the wise merchant-monarch. The Greeks gave it the name of Heliopolis, the City of the Sun. Its temples, now in ruins, impress travellers with wonder both on account of the massive blocks of stones of which they are built, seemingly beyond human power to move, and of the symbolical figures sculptured upon them. Solomon in founding these ports and cities was not without a purpose. His subjects had as strong a predilection for inland as the Phœnicians had for maritime traffic, and each nation left to the other its special division of labour. Solomon's interest in Baalbek and Palmyra proves that the direct road between Phœnicia and Babylon was in the hands of the Jews. This was the most important caravan route in existence, and it ran entirely through the desert. The Hebrew ports on the Red Sea were open to the Phœnicians, who brought thither the products of India and Arabia, the Jews conveying them overland to Phœnicia.

The overland trade with Egypt was conducted in much the same way. The Jewish people profited as keenly by the idiosyncrasies of the Egyptians as by those of the Phœnicians. The latter were subjected to so many restrictions in their intercourse with Egypt, that they availed themselves to a great extent of the services of the Hebrews in the conveyance of the flax, fine linen, and embroidery, for which the land of the Nile was celebrated. Solomon also traded with Egypt on his own account, for we read of his importing horses and chariots, which he sold again to the neighbouring princes. Wine and oil, with which Palestine abounded, were not produced in Egypt. The inundations of the Nile, though they deposit a soil unequalled for promoting the growth of grain and gourds, are unfavourable to both the vine and the olive. These Syrian productions were therefore the chief means of repayment at Solomon's command. To these were doubtless added the gems, spices, and balsams brought from India and Arabia, and through the ports of the Red Sea. In the direct trade of the Phœnicians with Egypt, which was confined at first to a part of the city of Thebes, but afterwards extended to a part of Memphis also, the wine of the district of Chalybonitis, around the modern city of Aleppo, was the staple of exchange, together with copper, of which the Egyptians made extensive use in their metal-work.

The great increase of Jewish wealth is narrated in Scripture history. The zenith of prosperity was reached in the reign of the merchant-king, who "made silver to be in Jerusalem as stones; and cedars made he to be as sycamore-trees that are in the vale, for abundance;" "and Judah and Israel were many, as the sand which is by the sea-shore for multitude, eating and drinking and making merry." That the cities of Phœnicia were no less wealthy is testified by sacred and profane historians, who refer to Tyre and Sidon as types of wealth.

From the Syrians and Cappadocians the Phœnicians

obtained various products, which they bartered at a great profit for the commodities of other countries. The wine of Chalybonitis was of such repute as to banish almost all other kinds from the tables of royalty. Its transport overland was difficult, and added to its costliness. A few jars of it could be exchanged in Egypt for as many loads of corn. From Syria was obtained the fine wool which the Phœnicians wove into choice fabrics and dyed with their famous purple. The celebrated snow-white Nicean horses, regarded in Persia as alone worthy to draw the chariot of majesty, were bred in Cappadocia. Other horses were reared, but none approached this breed in beauty. Mules also were obtained from the same parts, and Circassia and Georgia contributed slaves. As many as ten thousand slaves were occasionally sold in the market of Delos in a day. Engaged in every form of commercial enterprise, the Phœnicians trafficked in the constituents alike of maritime and of inland trade. The commodities conveyed by caravan consisted of raw materials as well as of industrial products. The cotton, linen, and woollen fabrics were so skilfully dyed that they presented the effect of shot silk. Sidon and Sarepta were noted for the manufacture of glass, which is supposed to have been first made by accident. The discovery was for a long time put to no greater use than that of making beads and trinkets, to be used as cheap objects of barter. In like manner, ornaments, chains of amber and gold, carved ivory, and other artistic work, engaged the skill of the Phœnicians, and appear to have found especial favour in the eyes of the Hebrew women. Some authors trace to this people the first use of coined money. It is probable that the arts of computation and of alphabetic writing spread from Phœnicia to Greece, and thence through the Western world. How Phœnicia learnt these arts is not clear. The fable of Cadmus satisfied ancient inquirers, but modern investigators consider the alphabet of the ancient Phœnicians and

Hebrews to have been a simplified development of the hieroglyphic system of Egypt. Whether the adaptation was the work of the practical skill of the Phœnicians or of the Hebrews is disputed. The fact is certain that these characters form the foundation of all the historical alphabets of the world—Sanscrit, Zend, Greek, Roman, Arabic, Ethiopian, Armenian, and Slavonian.

PART II.—MARITIME OR COASTING TRADE.

TRANSPORT by sea, in lessening the labour, time, and cost of procuring commodities from distant countries, gave new life to commerce, and indefinitely widened its scope. The Phœnicians were the earliest sailors on record. Homer refers to their seafaring habits, and their daring as traders and pirates, nearly a thousand years before the Christian era. They navigated the Arabian and Indian seas, and brought to the ports of the Persian Gulf the products of Ceylon and Malabar, of the Indus and the Ganges, Bactria and China, thus linking the elephant traffic of Hindostan with the caravan commerce through Babylon and Palmyra, and with the Arab caravans from Gerrha, and thence with the Occidental trade of the Mediterranean. Their vessels in the Red Sea coasted Arabia Felix and Ethiopia, exchanging the produce of both these countries at Elath and Ezion-geber in return for the commodities brought overland through Edom. The rich countries just referred to were the ancient Ophir, whence the Jews obtained gold, silver, ivory, apes, and peacocks. The persistence of the Phœnicians extorted from the rulers of Egypt limited rights to the navigation of the Nile, and to those merchants a part of Memphis was assigned for warehouses and offices. According to Herodotus, they were the first mariners who rounded the Cape of Good Hope, having started from the Red Sea, at the instance of Pharaoh Necho,

about 600 B.C., and in three years circumnavigated Africa. That the Phœnicians first passed the Pillars of Hercules is undisputed. Before Saul, the first king of Israel, had begun to reign, they had already ventured out into the Atlantic; and the tin mines of Britain and the amber lands of the Baltic had possibly been visited by them. Long before this they had begun to frequent, and even to settle upon the isles of the Levant and the Ægean. Cyprus in particular (the ancient Chittim) could be seen from their shores, and to reach it was one of their earliest efforts. Judging from the distribution of the geographical names along the coast-line, the voyage to Carthage seems, in the first instance at least, to have been not along the northern coast of Africa, but by Crete, the southern extremities of Greece, and Italy, and Sicily.

Keeping near the shore, and guided at night by the stars, they gradually extended the length of their voyages. In the course of time they improved their skill in navigation and ship-building. The acquisition of wealth, whether by just or unjust means, appears to have been the sole object of their traffic. The Phœnicians were ever ready to purchase any number of captives taken in war, to sell, according to universal custom, as slaves, and they would, it is said, when the chance offered, kidnap Greek and Hebrew children. The Greeks, amongst whom the Phœnicians at the first had settlements, suffered from their piratical habits, and the less advanced borders of the Mediterranean still more so. The Greek ports and the isles of the Ægean were for a time closed against the Phœnicians, and, in alliance with the Etruscans, the Greeks expelled them from Southern Italy (*Magna Græcia*); but the desire for Oriental luxuries lessened the jealousies of trade, and Greece could not permanently deny herself Phœnician wares. In Sicily, Sardinia, and the Balearic Isles, the Phœnicians planted colonies, and successfully competed with the Etruscans. Colonies were gradually formed along the Mediterranean coasts. In Asia Minor

and the Euxine, as well as Africa and the islands, the natives were taught husbandry, and thus they learned to produce commodities valuable to Phœnician commerce. Carthage and Adrumetum (apparently the Semitic word Hadramaut, a not uncommon geographical term in Western Asia), Great and Little Leptis, with several hundred smaller stations, arose in Africa. Many of the great commercial centres on the shores of the Mediterranean grew, as their names indicate, out of these colonies, and trade was zealously pursued before Greece or Rome had risen to importance.

Spain was literally a mine of wealth ; for gold, lead, and iron abounded, and silver was so plentiful that the merchants are said by Aristotle to have ballasted their ships with it, and, when overladen, to have cut off the masses of lead which served as anchors, and substituted silver. The natives gladly accepted Tyrian ornaments and glass trinkets for that which they possessed in such great abundance, and the Phœnicians disposed of this beautiful metal in the East, where it was held in higher estimation than gold. When the supply thus procured failed, the Phœnicians became the taskmasters of the natives, whom they enslaved and compelled to work in the silver mines.

Spain also possessed rich resources in animal and vegetable produce. Fine wool, wax, and salt fish, corn, wine, oil, and luscious fruits were only second in value to the precious metals. A Phœnician origin can be assigned to nearly two hundred Spanish localities. Cadiz, "on the most remote point of the world," is to this day an important commercial city. Hispalis (*Seville*), Carteia (*Cartaijo*), near Gibraltar, and Malaka (*Malaga*), are other examples. The Tarshish of Scripture was probably South Spain (*Tartessus*). From Spain the Phœnicians set out for still more distant enterprises. It appears hardly possible that their vessels could have weathered the rough waters of the Bay of Biscay, yet it is certain that they obtained tin and lead from the peninsula of Cornwall, and amber from the

shores of the Baltic. They also visited, sooner or later, the Azores and the Madeira Isles. The secret of Phœnician commerce beyond the Pillars of Hercules was jealously guarded by the merchants, who retained it for many ages as a close monopoly.

Thus the commerce of the known world came into their possession. Maritime trade, for many generations, was solely and indisputably their own. They were not only merchants on their own account, but the universal carriers for other nations. Wealth poured into their cities in profusion. Colonies were a necessity with such an enterprising people, in order that when ships arrived cargoes might be in readiness at widely distant points, and interchange be made without delay. As the necessities and comforts of life accumulated, the population also increased, and colonies were often the outpouring of numbers too cramped in the small territory of the mother-country. Political discontent, too, was an incentive to emigration, and to this cause the rise of Carthage, Tyre's great daughter-colony, is said to have been due. Phœnician colonies continued to be established for a period of between five hundred and six hundred years, from 1100 B.C. to 550 B.C.

Although the parent state exercised little coercive authority over its colonies, yet commerce and religion formed a bond of union. The temples and deities of Phœnicia were everywhere revered, and offerings from all quarters were transmitted to the mother-country.

CHAPTER IV.

ASSYRIA, BABYLONIA.

ASSYRIA and Babylonia, in their widest geographical sense, were nearly convertible terms, but, as empires, the first was most ancient. It could be by no accident that civilisation traced its earliest manifestations to the river plains of the world. Thus the Tigris and Euphrates claim with the Nile, the Indus, the Ganges, and the rivers of China to be the parents of communities whose origin is lost in the past. The country watered by the Assyrian streams bore a strong resemblance to Egypt, and, like it, was saved from being an utterly arid sandy track by periodical inundations. From the Mediterranean inland much of the desert expanse was broken only by oases; the vegetation being liliaceous bulbs, nodes, succulent and herbaceous plants, preserving moisture and maintaining life in the driest soil,—an ephemeral verdure, disappearing in the summer heats, but waking to activity with the rains. Whether Assyria was peopled by colonies from Egypt or the converse, or the similar surroundings of the two races gave rise to analogous industries and arts, the early history is too obscure to detail, but the husbandry, building, weaving, dyeing, and traffic of the one were certainly the reproduction of the other. The arrow-headed or cuneiform* inscriptions and colossal figures in recent years excavated on the site of Nineveh, and now enriching the British Museum, are the counterparts of the hieroglyphics and sculptures of Egypt; and as the chronology of both countries is gradually being deciphered from

* Cuneiform, or wedge-shaped; Lat. *cuneus*, wedge.

two lost languages, extant records may not always be left to be interpreted by the imagination. Nineveh or Ninus, named from its supposed founder, one of the oldest and largest cities in the world, the capital of a great and civilised monarchy, was the prototype of Babylon, and the history of the first may be correctly read in the series of incidents befalling the second. The greatness of both capitals was built upon trade, their sites making them successively the emporium of the East and the West; and their common fate was to be conquered. Trade brought to Nineveh prosperity, respect, and power; the regions around were subdued, even the Babylonians succumbed. Ultimately the Babylonians rose against their masters and blotted them out from existence. Such a subversion implies the previous transfer of power from the dominant to the subject people. Primitive industrial virtues were a necessity while Nineveh was poor and rising, but appear to have fled when opulence was attained. Sensuality enfeebled the citizens until all fear of their martial prowess was dissipated, and their riches only excited the cupidity of a hardier race. While Nineveh was wasting its strength, Babylon was gaining vigour in subjection, and the desire for freedom, blended with disdain for their enervated rulers, incited the citizens to revolt. Sennacherib had already, B.C. 714, weakened the empire by his expedition against Egypt and the Hebrews, and the Medes and the Babylonians in alliance razed Nineveh to the ground B.C. 606, and apportioned the empire.

Babylon, founded by the Nimrod of Scripture, the Belus of profane history, covered a great space on both sides of the Euphrates. The district of Babylonia, properly so called, comprised the alluvial river plain eastward of Syria. The Euphrates and Tigris unite before they flow into the Persian Gulf, and form the modern Shat-el-Arab. Above their confluence they enclose the vast mud flat of Babylonia, of which, strictly speaking, they form the boundaries. Higher up, the streams converge again to

within a few miles of each other, at which point the Median Wall was erected, both as a fortification and defence against the approach of a hostile army and a line of demarcation between Babylonia and Mesopotamia.

Babylonia was an almost rainless region; yet under a perfect system of irrigation it attained marvellous fertility. It was nearly destitute of wood, and entirely so of building-stone. Whole pages of ancient historians are filled with descriptions of the magnificence and dimensions of the capital, and of the opulence of its inhabitants. Huge walls, pierced with a hundred gates of brass, surrounded the city, through which the Euphrates rolled between embankments of masonry. The palace of the great king, with its terraces or gardens, was accounted one of the wonders of the ancient world. The only towns we know to have existed on these plains besides Babylon were Forsath, now Bassora, and Borsippa, neither of much extent; indeed, the latter seems to have been rather a district of the capital than a neighbouring town.

The Babylonian plain was subject to vernal floods, which by a network of canals and reservoirs were rendered serviceable to the country which they would otherwise have devastated. Remains of these watercourses are still to be seen. Bricks burnt and unburnt, and cemented with bitumen, the "slime" of Scripture—of which springs are still in activity—formed the building material of Babylon. Travellers are amazed at the mounds of brick which even now line the rivers for many miles, though the ruins have formed a quarry whence were taken the materials used in the building of the large towns of Ctesiphon, Seleucia, Kufa, and Almadain. It has been computed that more bricks were used in the walls and towers of Babylon than in the Great Wall of China, which is twelve hundred miles long.

Babylon owed its prosperity less to the surrounding fertility than to its excellent position as a caravanserai; yet the

soil yielded abundant crops of dates and grain. Corn is said to have been mown twice, and then eaten down by cattle before it was allowed to come into ear, in order to check its tendency to exuberance of leaf, and even then the return was more than two hundredfold. These regions claim to be the centre from which corn spread, and where it was first used for food. The varieties of the palm furnished bread, wine, vinegar, sago, dates, and date honey, an esculent something like the cabbage, food for cattle, fuel, and ropes.

The city was placed in the highway of the primitive land-trade east and west, and on its waters were made the first known attempts at river-traffic. Food-produce in abundance, at scarcely any cost of labour, was ready for traders in exchange for Chinese silks, Indian gems and spices, Bactrian gold and gold-dust, and Western silver and wine. At home, textile manufactures of wool, linen, and cotton were carried to great perfection. *Sindones*, as some remarkably fine and beautifully dyed cotton fabrics were called, were so costly as to be restricted to royal use. Brilliant tapestries, upon which the zoology of India was embroidered, were coveted by princes for the choicest hangings of their palaces and harems, and from these the West received its first notions of Indian natural history. Carpets and coverlets from Babylonian looms were treasures more precious than gold. Borsippa is mentioned as famous for the finest linen and cotton fabrics, but manufactures generally were carried on within the precincts of the capital. The dye-stuffs were the Tyrian purple, obtained from Phœnicia, Indian lac, the precursor of cochineal, and some other tropical products. The production of articles of luxury of great value also employed the Babylonians. Their parching climate rendered the use of cooling perfumed waters universal. They were expert in the art of engraving stones for seals, and they cut the gems of India for signet rings and jewellery. The curious fashion prevailed of carrying a walking-stick of fine wood, elaborately

carved with devices of fruit or flowers, and serving, instead of costly jewels, to indicate rank and consequence.

The first boats used for navigating the Tigris and Euphrates were rude coracles of light wood covered with skins. Such vessels are sculptured on the Assyrian monuments, and under the name of *keleks* continue to be used on both rivers for the transport of goods. The current of the Euphrates was too strong to allow frail rafts to ascend against the stream; they were therefore used only in descending the river, were then broken up, and the wood sold, asses being laden with the skins on the return journey. By such means the wine and oil of Armenia, and commodities from the borders of the Mediterranean, reached Thapsacus, a station between Babylon and Aleppo, on the upper course of the Euphrates, where the merchandise was again transferred to caravans and conveyed to the capital, whence it was distributed along various divergent routes. Wind-power was eventually enlisted in the service of trade, the use of sails enabling the traders to enlarge and strengthen their river craft, and to make them less dependent upon the force of currents, so that they were able to navigate the rivers both up and down. Like the Egyptians, they feared the sea, and left its navigation entirely to the daring and skill of the Phœnicians, who founded the ports in the Persian Gulf, Gerrha, half-way upon the Arabian coast, Tylos, and Arados.

At Tylos, one of the Bahrein islands, superior cotton was cultivated, teak oak was felled, and handsome sticks, streaked and spotted like the skins of the tiger and the leopard, were cut; the banks, not even yet exhausted, produced pearls superior in hardness and beauty to those of Ceylon. Muscat, Djulvar, and Ormuz shared in this commerce. Between these cities and India an active maritime commerce sprang up, and the port of Gerrha became the starting-point of a caravan route across the Arabian desert. Through Bactria came Indian produce, cotton, silk, and wool, both raw and manufactured, and large dogs trained for hunting.

Media and Hyrcania supplied timber of various kinds; Scythia, skins; Egypt, flax, cattle, horses, and mules; the enterprising Phoenicians sent from the Jewish ports of Elath and Ezion-geber the valuable commodities procured from the shores of the Red Sea, and their own storehouses contributed the wealth of the Western world.

The district extending lower down the river Tigris, as far as its mouths, bore the name of Chaldea. The Chaldeans were the ruling caste in the state, its astrologers, seers, and soothsayers, and for that age of the world their knowledge had an extensive range. They were acquainted with the motions of the sun, moon, and five planets, the signs of the zodiac, the calculation of eclipses, and the division of the year into twelve months. The sun-dial and the water-clock were used for computing time, and their system of weights and measures was the basis of the Roman standards.

The Golden City, the "glory of the Chaldees' excellency," attained its greatest power during the reign of Nebuchadnezzar, who extended the Babylonian empire from the Tigris to Egypt, from Armenia to the Arabian desert, and successfully withstood the attacks of Pharaoh Necho, king of Egypt. Profuse wealth finally led to moral corruption on the part of the rulers, and invited aggression. Cyrus laid siege to Babylon, diverted the course of the Euphrates, and entered the city by the bed of the river during a nocturnal feast, B.C. 538. Thus it sank to the level of the third capital of the Persian kingdom, Susa and Ecbatana ranking higher.

Babylonian commerce declined under the Persians, who put an end to the maritime traffic, fearing lest an inroad upon their dominions should be the consequence of the navigation of the Persian Gulf. Babylon (B.C. 324) opened its gates without opposition to Alexander the Great, who endeavoured to restore its commerce, and to that end improved the navigation of the Tigris and Euphrates. His death in the following year frustrated his intention of making

Babylon the capital of his empire. The decline of this great city was decisive under Seleucus Nicanor, one of Alexander's generals, to whom it fell as part of the Syrian kingdom, of which he had assumed the government, and a rival city, named after the builder, Seleucia, on the banks of the Tigris, completed its eclipse. Babylon was at the commencement of the Christian era almost wholly in ruins.

CHAPTER V.

CARTHAGE.

CARTHAGE, the chief offshoot of Tyre, and principal inheritor of the colonial commerce of the mother-city, has had no native historian to recount its glories, and its history has to be sought in the literature of its conquerors and destroyers. Its foundation is ascribed to Elissa or Dido, who, with many Tyrians, fled from the land of her birth (about 813 B.C.), to escape the domestic distractions which overtook Tyre and Sidon, in consequence of the usurpation of Ithobaal, or Ethbaal. Ethbaal was priest of Astarte, and father of Jezebel, the wife of Ahab. He assassinated Pheletus, the last of Hiram's sons, B.C. 898. In opposition to Utica, the Old Town (Hebrew, *atika*, old), founded B.C. 1100, Elissa's settlement was named *Kartchadkha*, or New Town, corrupted by the Romans into *Carthago*, and by the Greeks into *Karchedon*.

Like their ancestors the Phœnicians, the Carthaginians owed nothing at first to conquest. They paid a yearly tribute for the land they settled upon, and sought their wealth in industry and commerce. A skilful, civilised people could not, however, dwell in the midst of nomadic tribes, who were continually at war with each other, without being appealed to for aid, and finally gaining the supreme power. From tributaries they rose to be masters, and in the height of their prosperity they ruled a territory extending from Cyrene to Numidia, fourteen hundred miles in length by eighty in breadth, besides possessing a considerable influence over the interior of the continent. The name Africa, first given to their own colony, grew into use as the common designa-

tion of their own dominions, and afterwards of the whole continent. Besides the north coast of Africa, Carthage possessed nearly all Spain, and the islands between Spain and Italy.

The ruling passion with the Carthaginians, as with the Phœnicians, was love of gain. Possessed of little patriotism, they employed mercenaries in all their wars, and imposed upon the African tribes the yoke of military servitude. They showed judgment and good sense in their domestic affairs, for there is no record of turbulence or civil war till the era of their downfall. The soil was cultivated by negro slaves, and a profitable slave-trade existed with the adjacent countries. Their territories yielded corn and fruits of all kinds, various sorts of provisions, wax, honey, oil, skins, wild spartum (a kind of broom, from which they made ropes and numerous articles), a peculiar extract called Punic colour, and other materials for manufactures. The Carthaginians were celebrated for various industrial products, such as woven fabrics and artistic work in leather and wool. Their tanning was very superior: they manufactured pure white and coloured leathers, of the kind now known as morocco. They also practised the arts of pottery and dyeing, and understood the working of metals. Their skill in handicraft caused the term Punic to become descriptive of exquisite workmanship; and in Rome, Punic couches, lanterns, and wine-presses, were in the highest estimation. *Punic* is derived from *Pœni* or *Phœni*, the Latin name for these people, in reference to their Phœnician descent.

Carthaginian commerce, though very extensive, was in a great measure confined to direct interchange, and managed entirely by merchants. Even after the destruction of Tyre, it did not include the carrying or commission trade of the Phœnicians. The position of the city on what is now the Bay of Tunis, midway between the Levant and the Pillars of Hercules, enabled it to command the

Mediterranean traffic, while various inland caravan routes also brought commodities to its markets.

Colonies, properly so called, Carthage did not possess, for its policy of aggrandisement, which could endure no rival, caused all its settlements to be mere trading stations. The chief of the insular possessions was Sardinia, which was held till a few years after the conclusion of the first Punic war, B.C. 241. Corsica, also a Carthaginian possession, was lost at the same time. After contests which lasted two hundred years, Carthage never secured more than a partial footing in Sicily. The last remaining possessions before the destruction of the state were the Balearic Isles, Malta, and Spain.

Phœnician and Greek vessels covered the eastern Mediterranean, compelling the Carthaginians to settle and trade where they could more successfully compete with their rivals. In the west they met the Greeks of Sicily and Italy, the Greek colony of Marseilles, then Massilia, and the Etruscan pirate merchants, for all of whom the Carthaginians were more than a match. They obtained oil and wine from Sicily; honey, wax, and slaves, from Corsica; fruits and beasts of burden, chiefly mules, from the Balearics; and bitumen from the Lipari Islands. Malta furnished costly tissues for clothing. Elba, remarkable to this day for the fine iron it produces, supplied material for their furnaces. For the commodities thus obtained, the Carthaginians gave the produce of their own industry and commerce, the work of their looms, and especially slaves, precious stones, and gold. As the state increased in wealth, its system of employing mercenaries became further developed, and draughts of labourers were employed in Spain to work the mines more vigorously than during the Phœnician period. When, through the disastrous Persian war, Phœnicia lost her commercial supremacy, Carthage and Greece divided the eastern and western Mediterranean. Sicily, the border island of this division, was long the subject

of contention between the Greeks and Carthaginians, and the scene of many indecisive conflicts.

Their maritime commerce outside the Mediterranean extended both north and south, but the extreme limits were kept profoundly secret. It is recorded that the master of a merchant vessel voyaging north (probably to Britain), rather than permit a Roman ship, which followed him, to learn his destination, ran his vessel ashore, and led his pursuer to do the same. The Carthaginian, then throwing the whole of the cargo overboard, lightened his vessel and got her off. Upon his return to Carthage, he was commended for doing the state a service, and compensated for the loss of his freight.

Cerne, an island on the west coast of Africa, opposite Madeira, was the chief station for business with the natives of that part of the continent. According to Herodotus, who learnt more of this commerce than the Carthaginians would willingly have allowed, a silent bargaining used to take place between the natives and merchants. The latter went ashore with their wares and kindled a fire, the ascending smoke of which was the signal that brought the natives down as soon as the sailors retired to their ships. These natives, a tall and handsome race, of dark complexion, with long but not woolly hair, and of pastoral habits, were fond of showy trinkets, which, with harness, pottery, and Egyptian linen, their visitors deposited on the shore. In exchange, they brought elephants' tusks, skins of wild beasts, and gold, placing them alongside the merchants' wares. The Carthaginians again landed; but, if dissatisfied with the proposed barter, they once more retired, leaving the goods untouched till more gold had been added; when satisfied, however, they made the exchange and departed. Herodotus speaks of the good faith which was always observed, neither side acting unfairly by the other; but when the shrewd, calculating Carthaginians met ignorant African tribes, it is not hard to see who were likely

to have the best of the bargain. There are many references in history to this mode of silent barter, in which the contracting parties scarcely saw each other. It was employed in dealing with the natives of India ; and modern travellers describe the practice as continuing in Soudan to the present time. It arose probably from ignorance of each other's language, and from a native fear of approaching visitors whose power appeared so great. Nevertheless, this mode of conducting traffic could not have been universally practised, for amongst the commodities brought from the interior, black slaves appear prominent, and bulky substances, such as salt from the desert. The whole history of the negro is associated with kidnapping. Negroes were the victims of the slave-dealer, as depicted on the earliest Egyptian monuments ; and the Carthaginians in later times bought them in droves for export to Italy and Greece. A trade, in which grain produced in Numidia was exchanged for dates, the produce of less fertile parts, as well as a traffic in feathers, and in furs, completes the summary of this maritime commerce. Southwards, across Sahara, the commodities brought by caravans were the same as those obtained on the west coast—slaves, salt, dates, ivory, and gold. Communication between Egypt and Ethiopia was constant, and more particularly with the city of Ammonium, now Siwah. The gems and other precious commodities of India, the perfumes and pearls from the coasts of the Red Sea and the Persian Gulf, the costly furniture, wool, and tapestry of Phœnicia, as well as the scarlet and purple dyes, reached Carthage by this route.

We owe to the commercial acuteness of the Carthaginians the introduction of bills of exchange and letters of credit, which have done so much to extend the domain of commerce. They also introduced the practice of bottomry, or lending money on mortgage of ships. The earliest of such documents of which mention is made, were pieces of leather impressed with the government mark, and passing current

like our bank-notes. Yet they appear not to have had any money proper, although they must have been acquainted with the coinage of Greece.

A municipal oligarchy, composed of a few wealthy families, whose intelligence in building up their own fortunes by trade insured some degree of administrative skill, possessed the chief power, and carried their business habits into the offices of government. From them were chosen, to execute the laws, two suffetes, *shuphetim*, the same title which in the Old Testament is translated "judges." Amongst other regulations by which the suffetes were bound, was one by which they were not permitted to taste wine during their term of office. The revenue was derived from tribute paid by subjugated races, from taxes upon distant dependencies, payable in produce or in gold, from rigorous import duties, and from the Spanish mines. So great was the revenue from this last source, that the whole cost of the second Punic war was thereby defrayed. In the army were to be found Gauls, Iberians, Ligurians, and negroes; the officers were native Carthaginians. The most formidable parts of this heterogeneous army were the Numidian horsemen and the Balearic slingers. The citadel, Byrsa, contained barracks for twenty thousand troops, with stables for four thousand horses and three hundred elephants. The inner harbour contained the residence of the admiral, magazines and quays for the shipment of cargo, and docks for the building and repairing of two hundred merchant vessels and galleys of war. The fleet was very numerous, numbering, in the great engagement with Regulus (B.C. 256), three hundred and fifty galleys.

A gloomy and cruel religion was professed. The tutelary deity, Melkarth, has been variously identified with Baal, Bel, Jupiter, and the Sun. The Phœnician Astarte, Ashtaroth, or the Moon, was also worshipped. They sacrificed infants, even of noble families, together with captives taken in war, to Moloch or Saturn, supposed by some to be Melkarth.

The cries of the victims were drowned by the sound of fifes and drums. Their religion reflected its character upon their criminal code, which was Draconic in severity—crucifixion, for example, being a common punishment.

The best we know of Carthage is the excellence of her civil constitution, which, according to Aristotle, preserved her for several centuries from anarchy and despotism; her care for the national credit, which led to the payment of every obligation incurred during the struggle with the Romans; and her filial loyalty to Tyre, when besieged by Nebuchadnezzar and by Alexander the Great, on which occasions she opened her gates as an asylum for the Tyrian women, children, and aged people. Literature, that would have at least saved the Carthaginians from oblivion, was of less account amongst them than the acquisition and the retention of riches; and Cato's stern words, *Delenda est Carthago*, applied to its records, seem as full of meaning as when applied to the city itself.

Unseen but inevitable causes of decay were sapping the vitality of the Carthaginian empire, long before the final struggle with Rome took place. The grasping spirit which impelled them to make their own city the emporium of the world, without returning any equivalent benefit; to discountenance ship-building elsewhere; to close their harbours to all foreign vessels, and to resent the prosperity of any foreign state, was a fatal defect in their character and polity. They had not the intelligence to perceive that the more they encouraged production in their distant settlements, the greater would be the surplus flowing into their capital. A people whose patriotism was so weak as to allow them to entrust to foreigners, in whom there was no loyal sentiment, the sacred duty of defending their soil, were foredoomed to ruin. A stigma was cast upon industry by the forced labour of slaves. The rich fields covered with herds, the artificial irrigation from numerous streams, the vineyards and olive-gardens of the

wealthy, were the results of the toil of negroes, whose zeal was damped by the knowledge that they could never rise out of servitude. When the long struggle came with Rome, the Carthaginians seem to have had no friends. Although temperate and painstaking, they had become unfitted, by habits, laws, constitution, and temperament, for military discipline or prolonged defence. Despite the military genius of Hamilcar, and the magnanimity and devotion of Hannibal, Carthage was worsted in the first and second Punic War, was forced to agree to a humiliating peace, and ultimately deprived of all its vast possessions. The third Punic War, B.C. 149—146, ended in the conquest of the city by the Romans, who were resolved upon its utter destruction. The burning of the temples, palaces, and monuments lasted seventeen days, and of seven hundred thousand inhabitants before the siege, only fifty thousand remained alive at its close. Under Augustus a new or Roman Carthage rose near the site of the former capital, and became one of the second cities of the empire; but its Mediterranean trade had departed.

CHAPTER VI.

PART I.—EGYPT BEFORE THE ERA OF ALEXANDER.

THE ancient commercial history of Egypt is divided by strongly marked features into two epochs—that before and that after the time of Alexander. How far back the first period extended we know not. We see through the haze of time a nation apart, yet introduced at length to the fellowship of the outer world, chiefly through the persistence of Phœnician and Greek merchants, much in the same manner as the peculiar nations of China and Japan are, in our own day, gradually being opened to Western commerce. There is reason to believe that Egypt was a settled nation long before the foundation of Nineveh and Babylon; but Egypt did not enter into free intercourse with the rest of the world till after the time of Alexander. Two sea boundaries afford an extensive line of coast, while it is united to Asia by the isthmus of Suez, and lies open to the interior of Africa, the Nile forming a grand channel of communication with the south. The position of Egypt, between the cradle lands of the human race and the African continent; the affinities of the people which connected them on the one hand with the Semitic races of Arabia, Syria, and Babylonia, and on the other with the Ethiopians and Libyans; the wonderful fertility of the Nile valley, in consequence of which “all nations came to Egypt to buy corn” (Gen. xii. 10; xxvi. 1; xli. 57), combined to make that country a great centre of commercial intercourse. The country was flooded three months in every year by the overflow of its river, and was likewise artificially irrigated by a network of canals, as well as from Lake Moëris,

constructed by the king whose name it bears, as a reservoir for the superabundant waters at the time of inundation. Inland boats and barges, made of boards of papyrus, were in general use on the Nile and on the canals as the common means of communication between the towns. A sailor caste is spoken of, and boats occupied a conspicuous place in the religious festivals.

The Egyptians reached, perhaps, the highest development possible to a people excluding themselves from association with other states. Their system of castes confined trades and professions to certain families, and made productive skill in the various arts and handicrafts descend as an heirloom from parent to child. Resulting from this practice, a superior degree of excellence was manifested in their works of metal and wood. Their harps excelled those of modern make in beauty of form, and their chairs and couches were of chaste designs. In wickerwork they showed great artistic skill. For many purposes of art and utility they used a compound metal of a green colour, the method of alloying which is now lost. Their cutlery and weapons of war were also made of a kind of brass or bronze. Elegance was specially aimed at in their pottery; the examples now in our museums are made of fine clay, and are of very beautiful forms. Excellent cotton cloths and muslins, together with woollen fabrics and embroidered work or tapestry, were among the products of their industry. Buying and selling fell to the lot of the women, while household duties were attended to by the men. In accordance with this custom, it was the daughter, not the son, on whom devolved the duty of supporting a helpless parent. The laws promoted self-dependence. Securities for loans were contrived, usury was forbidden, and the rights of creditors were limited to the property of their debtors. They were a grave and unsociable people, of quiet, temperate habits, and submissive under control.

Every patch of the country that water could reach was

cultivated, and good roads were formed. The Egyptians consumed more of vegetable than of animal food. The rich brown deposit of the Nile yielded lavishly grain, garlic, the lotus, and gourds. The crops succeeded each other at intervals of six or eight weeks, and, like the soil, were literally, as well as metaphorically, the "gift of the Nile." Higher up the river valley were quarried the massive syenite slabs used in the erection of their temples, and the obelisks or needles which, at a later date, took Cleopatra's name. Eastward, between the river and the Red Sea, a mountainous strip produced marble and the only metals found in Egypt. Camels were numerous; and the celebrated horses of the Delta were, from the flatness of the district, of great utility for chariots and warlike purposes.

Long before Egypt owned vessels fit to navigate the sea, companies of merchantmen traversed the country in all directions, bearing "spicery and balm and myrrh, and almonds, frankincense, and wines" (Gen. xxxvii. 25; xliii. 11) from Arabia and Syria. Gold, ivory, feathers, skins, and slaves came through Ethiopia from Central Africa, and fine salt was also imported. Of this intercourse imperishable records remain in the hieroglyphics, paintings, and sculptures.

The jealousy of the Egyptians regarding the intrusion of foreigners by sea was the effect of fear. Possessing no timber for shipbuilding, and having a distaste for navigation, they were ill prepared to resist invasion; and as the first sailors were as much pirates as traders, no vessels, for a long period, were allowed to anchor in the Nile. Caravan traders only, not being formidable, were tolerated, with a kind of contempt.

Later in history Egypt owned a fleet of four hundred vessels, engaged in the coasting trade, and even venturing as far as India; the wood, copper, and iron necessary for their construction being obtained from the Phœnicians.

Psammetichus, who ruled over Egypt B.C. 671-617, was the first king that dared to break in upon ancient prescription. He not only opened the country to Phœnician and Greek vessels, but employed Greek mercenaries in his army. These measures brought wealth to the state, but gave great offence to the warrior caste, the whole of whom, in a body of about a quarter of a million, emigrated into Ethiopia, where they had a district assigned to them. From the reign of Psammetichus, there was no national army, and a result undesigned but of great moment followed the policy of entrusting to other than their own citizens the defence of the kingdom. It led to gradual loss of nationality. The native writing grew into disuse, and after the Persian conquest, B.C. 525, it became extinct. The Greek alphabet superseded hieroglyphics, hieratic, and demotic characters; the national records excited no pride in the past, and became a dead letter, to be but partially unsealed after a lapse of two thousand years.

Amasis, the foreigner's friend, the grandson of Psammetichus, and son of Nekos, the Pharaoh-Necho of Scripture, allowed the Greeks to erect temples and warehouses, and in the last year of his reign, 526 B.C., he removed all previous restrictions upon vessels by declaring the mouths of the river free to navigation. Many Greek merchants, therefore, settled in Egypt, introducing the manners and customs of their own country. Egyptian youths were placed with these families in order to learn the Greek language. In this way there gradually arose a class of interpreters who became imbued with Greek habits and modes of thought, which they communicated to their own families. Cyrus conquered the country, 525 B.C. Cambyses committed great atrocities, but the fate of his expedition against Ammonium and Ethiopia put an end to the commotions of war, and the gentler government of Darius Hystaspes left the Egyptians free to do as they pleased, so long as they did not fail in the payment of their yearly quota of a tribute of 700 talents,

equal to £125,000, which was raised partly in Libya, Barca, and Cyrene, as well as in Egypt. Besides this, the country had to provide with corn a Persian garrison of one hundred and twenty thousand men, stationed at Memphis. The fishing in Lake Moëris was likewise monopolised by the conquerors. Under these comparatively easy conditions, commerce resumed its prosperous career. The Persian supremacy lasted from 525 B.C. till 332 B.C., when Alexander the Great conquered the country. During these two centuries trade and manufactures became much extended, but it is difficult to distinguish the wealth of the Greeks and Phœnicians from that of the natives. The paintings and sculptures in the tombs depict weavers and dyers using ornamented distaffs and looms. Linen and cotton fabrics, and silk from the byssus of the pinna, were worked in unmixed white or dyed of various tints, red, yellow, blue, green, and black. These stuffs were renowned for their quality and costliness in every country which Egyptian produce reached.

Greek writers affirm that thirty thousand cities existed, and many millions of people. So exuberant was the produce of the Nile valley, that a large surplus of population was always at the monarch's command, to carry out his gigantic architectural projects. This was the era of the erection of those huge monuments whose ruins astonish the modern world. Kings fought hard against oblivion. Lifetimes were devoted to render imperishable the records of great rulers whose names are now forgotten, whose conquests are deemed fabulous, and whose embalmed bodies are undistinguishable amongst millions of other mummies. Lake Moëris, on the other hand, and the canals of Sesostris remain, as evidences of wisdom and skill applied to domestic improvement, and to the development of natural resources.

*PART II.—EGYPT AFTER THE ERA OF ALEXANDER—
ALEXANDRIA.*

ALEXANDER'S ambition urged him to leave permanent monuments of his fame. He destroyed cities, but built greater. After the destruction of Tyre, Egypt submitted to the conqueror without an effort in self-defence. His keen eye, seeing the capabilities of the country, and the commanding position of the Delta, fixed upon a part of the coast opposite the island of Pharos as a site for a metropolis. Democrates, carrying out the instructions of his master, connected Pharos with the mainland by a jetty or mole, and thus divided the channel into two harbours, facing the new city. Alexandria was built upon a grand plan, having, including the suburbs, a circuit of fifteen miles ; while two noble roads, a hundred feet broad, and adorned with temples, colonnades, and palaces, crossed it at right angles. These formed at their intersection a noble open place or square, whence could be viewed vessels sailing in from the sea to either harbour. One of the quarters thus marked out was wholly devoted to the palaces and gardens of royalty ; and here, a few years afterwards, in the chief of the royal temples, was deposited the body of the great founder, in a coffin of gold.

The successors of Alexander in Egypt were the Ptolemies, who raised the city to the summit of its opulence and greatness. Ptolemy Philadelphus reared a lighthouse of white marble, on the island of Pharos, to the height of four hundred feet, adorned with columns, and described as one of the seven wonders of the ancient world. Fires on its summit at night guided vessels safely into port. A modern lighthouse now stands on the same spot. Lake Marëotis, on the south of the city, was formed into a third harbour, by a canal communicating with that on the east. The western harbour was so spacious and deep, that vessels too large for any other port could there find anchorage, and

load and discharge their freights. Such a ship, sent by Hiero, King of Sicily, as a present to one of the Ptolemies, is said to have had on board small gardens, with water-courses for their irrigation, an apparatus for slinging stones, and eight lofty towers, and to have taxed the utmost powers of Archimedes to make it manageable. Caravans brought their merchandise as far as Lake Marëotis, whence their treasures were conveyed, by canal, to the adjoining harbour.

The convenience of Alexandria as a mart for trade between the East and the West, attracted merchants from every commercial country. Its inhabitants thus became cosmopolitan, blending the thoughts and manners of all nations. The Ptolemies, especially the first four princes of that name, fostered the development of the city. Ptolemy Lagus, or Soter, encouraged foreigners to reside there, by granting them districts to live in. As many as one hundred thousand Jews were at one time inhabitants of the city. Although this prince was almost constantly at war, he still made commerce his care. He owned, besides a powerful navy, a fine fleet of merchant ships, promoted expeditions to establish trade, and signed treaties of commerce with other states. His son, Ptolemy Philadelphus, who inherited the same spirit, dug a canal for ships from the Nile to the Red Sea, and, to increase the inland traffic, lined the caravan routes with wells and caravanserais. Arsinoë, Berenice, and Myos Hormos arose on the banks of the new canal, whence commodities transferred from ship to caravan were conveyed to Coptos and Thebes. It was a boast in his reign that "no citizen was idle in Alexandria." Even the blind and lame were taught to labour. Glass-blowing, the weaving of linen, paper-making from the papyrus, and the arts connected with the shipping trade, employed the people; while the most fruitful country known to mankind provided them with abundant food. The basis of commercial prosperity, thus laid, was broad

enough to bear, without serious peril, the devastations of the civil wars caused by the follies and incapacities of some of the succeeding Ptolemies.

Ptolemy Euergetes (Ptolemy III.) succeeding to the rich inheritance of his fathers, determined to make his capital the most learned, as well as the most commercial city of the time. He founded a school for teaching the sciences connected with commerce, and invited philosophers of every country to regard Alexandria as their home, and Eratosthenes, who suggested the means of measuring the earth by methods similar to our own, was among those who responded.

Ptolemy IV. possessed a fleet of more than four hundred ships. The crew of one is said to have consisted of seven thousand four hundred sailors and mariners, and the size, as described, is almost incredible. His fleet must have been numerous, for there are proofs that the Egyptian trade extended to the Euxine; and his influence must have been great, inasmuch as he sought and obtained the abolition of the tolls at the Bosphorus. Cleopatra, the last of this celebrated dynasty, added four hundred vessels to the fleet of Mark Antony; and when the great battle of Actium was lost, she was prevented from retiring to India by the Arabs having burnt another fleet belonging to her in the Red Sea.

By the destruction of Carthage, B.C. 146, the great trade of that city was diverted to Alexandria, which thus received a new impetus. Its commodities necessarily comprised almost everything marketable that could link nations together. Primarily, Alexandria drew its stores from Egypt, of which it was for the time being the capital. Coptos, below Thebes, was the starting-point for the caravans of Arabia and India, as Kopt, its modern representative, is now for the pilgrimages to Mecca. Asia and India despatched their treasures to Alexandria for further distribution; and Europe, from its remotest islands, sent to the

same mart her surplus produce. From the south and west came the merchandise of Soudan.

We do not trace to Alexandria any inventions that have modified commerce. There are extant coins of the Ptolemies, showing an acquaintance with money; but these, though an advance beyond the primitive silver rings and ingots of Egypt, were merely adopted from the Greeks, and are inscribed with Greek characters. The city was long noted for the fostering care it bestowed upon art and science; and even while its trade languished under the military rule of the Romans, the library contained, it is affirmed, a volume for every inhabitant—a larger number of books than were ever collected elsewhere, before the invention of printing. The whole are, however, lost to us.

PART III.—ETHIOPIA.

ETHIOPIA is the name given to the region of the Nile above the first cataract at Assouda, and includes Nubia and Abyssinia. The name has also been applied to the whole of Africa, south of Egypt, because of the colour of the inhabitants. The ancient capital, near Shendy, was Meroë, the remains of which, in the absence of written records, warrant the inference that the city was of great antiquity. Meroë was situated on a triangular piece of land, several hundred miles long, formed by the fork of the Blue and the White Nile. It was a fertile district, rich in timber and minerals, and gold mines were worked in the hills. Scattered in profusion over the surface of this tract are the ruins of pyramids, sepulchres, obelisks, and temples. Built of sandstone, their appearance shows more of the wear of ages than the syenite structures of Egypt, and but few of the hieroglyphics can be deciphered. These remains lend probability to the opinion held by many that Meroë was the birthplace of the arts and sciences, and the cradle of civilisation. On the other hand, some writers

trace the civilisation of Meroë to the emigration of the discontented warrior caste of Egypt in the reign of Psammetichus. Whether Egypt was peopled from Nubia, or Nubia from Egypt, is an unsettled point. It is certain that Ethiopia was a powerful and civilised kingdom in ages very remote, and that no more than a nominal conquest of the kingdom was ever made. Many sovereigns of Ethiopian race, even entire dynasties, ruled over Egypt. While the terrible barrier of its deserts kept Ethiopia secure from invasion without, its capital was open to trade from all parts of the compass. Numerous wells, which might be called artesian, dug in the Libyan sands, attest the existence of a great caravan trade from the centre of Africa. The Meroëse also founded Ammonium in the same desert, and their king was priest of Ammon. The temple of this place was, like that of the Hall of Camels at Palmyra, part of a caravanserai, or encampment for traders. It was in an expedition against this city that the army of Cambyses was overwhelmed with sand. Napata, now Merawe, in Dongola, likewise owed its origin to the Meroëse.

The eastern trade of this great capital reached as far as India. There is a tradition of the existence of a canal which connected the Nile at Meroë with the Red Sea, and formed a great highway of trade. A caravan route across the Arabian desert connected the Red Sea with the Persian Gulf, where, as we have already seen, was a depot of Indian and Asiatic produce. Caravan communication existed likewise with Carthage by way of Great Leptis, and with Egypt. Meroë was therefore one of the chief commercial marts of its day. The kingdom reached its highest prosperity about seven or eight centuries before Christ.

In Ethiopia, the Nile, bordered by high banks preventing its overflow, consists of a series of rapids and cataracts which for six hundred miles render it of very little use for navigation. Mountains approach the river closely on each side, and the width of the valley does not in parts exceed

seven miles. The southern territory, at the foot of the Abyssinian high lands, is the most humid and fertile. Irrigation in the arid parts was effected by rude canals. The border tribes lived by ostrich and elephant hunting.

Five different nations have been enumerated as inhabiting Ethiopia, viz., the Meroëse, the Troglodytes, the Macrobian, the Nubians, and the Egyptian "warrior caste," of whom the first were in every respect the most civilised. They were the husbandmen, merchants, philosophers, priests, and seers, and worshipped Jupiter Ammon, to whom was consecrated the city of Ammonium in the Desert.

History is silent respecting the decline of the Ethiopian kingdom. In the reign of Augustus, B.C. 22, the Romans defeated Candace, queen of Ethiopia, but could not keep possession of the country, and few records are extant of a more recent date.

CHAPTER VII.

GREECE.

GREECE proper, in ancient times, occupied about the same area as the modern kingdom. Washed on three sides by the Mediterranean, and its coast deeply indented, every part of the country is within easy reach of the sea, and, though united to the mainland, its character is insular. Off the western coast there is a range of large islands, stretching from Corcyra (Corfu) to Cythera (Cerigo), and on the east lie the Cyclades. The designation of Archipelago, first applied to the numerous islands of the Ægean Sea, has since become the common appellation of every insular group. Throughout the peninsula, mountainous barriers separated different communities. The diversity of feature and produce which marked this classic soil was reflected in the Greek character and institutions. We possess no authentic record of the founding of Greece as a nation. In its natural characteristics it was eminently original—a land to which the world is indebted for new thoughts departing from Oriental monotony. Just as repose was the ruling principle in Egypt, so restlessness distinguished Greece. It was composed of a number of states, differing in dialect, laws, and industry; but all endowed with the love of freedom and enterprise. Such a people became of necessity colonisers and merchants. No single city of Greece ever contained within itself the wealth of Carthage or Tyre; but the republic of Athens in its best days attained a prosperity never reached even by Babylon.

There are many allusions to the early intimate relations between the Greeks and Phœnicians; and monuments have

been found in Athens itself, with Phœnician inscriptions, commemorating sojourners from Tyre, Sidon, and Citium, one of which may be seen in the British Museum. Phœnicians opened the Greek mines. They supplied the Greeks with tin, which came into extensive use; from the Greeks they obtained polished iron, unwrought iron being procured from Carthage. The Greeks, however, soon shook off their dependence on the Phœnicians, and became their keenest commercial rivals.

Corinth, Elis, Argos, Messenia, and Attica were the leading commercial states, from which colonists spread over the neighbouring archipelago, and multiplied the marts of trade. Colonisation was a distinctive feature of Greek enterprise and policy. Æolian, Doric, and Ionian settlements were founded in Asia Minor, where numerous towns arose, of which Miletus, Ephesus, Smyrna, and Phœcea especially, disputed with the Phœnicians the profit of the Eastern and Western traffic. The famous royal caravan track between Sardis and Susa competed with the maritime route for the treasures of Persia, and all the above cities shared in the proceeds. Smyrna was the lovely crown of Iona, the ornament of Asia, and Ephesus was celebrated for its riches and splendour. Miletus was scarcely second to Tyre in luxury and wealth. Milesian colonists settled round the Euxine, opened up the traffic of another Mediterranean, founded the first Greek station in Egypt, and established Naucratis on the Nile. Cyrene, in Africa, was likewise founded by the Greeks. Marseilles was a settlement of the Phœceans, the inhabitants still fancifully designating themselves by the ancient name. Tarentum, Sybaris, and Croton were the principal towns that sprang up in Magna Grecia; Syracuse and Agrigentum the chief in Sicily. Patriotism caused the Greeks to extend to their colonies the name of the mother-country, and to call the colonists by the common appellation of Hellenes.

The Greeks, like sea-rovers generally, were first induced to build ships for the sake of plunder, rather than of commerce. Thucydides graphically pictures the inhabitants of the shores or the isles as people who, having once risked the journey across from one coast to another, grew thievish, and wandering abroad in quest of booty, would fall upon any straggling town, rifle it of everything worth carrying off, and regard the act as glorious. Bred a race of hardy sailors, and afterwards better engaged in colonisation and peaceful commerce, there arose, distinct from the nobility, a wealthy class, holding property not in lands but in portable goods. They congregated in cities, instituted governments for the protection of life and wealth, and continued trading and accumulating riches. When the necessities of life had been supplied, a taste for comfort and luxury soon arose. Architecture and sculpture, pottery, and work in the precious metals, attained a perfection since emulated in vain. They devoted themselves also to study and contemplation; and Greek philosophy has ever since influenced human thought.

Athens and Corinth were the chief seats of commerce in Greece proper. ATHENS possessed three harbours, of which the Piræus was the most important. A wall, sixty feet high, and wide enough for two chariots to run abreast, encircled the port, which was also united to the city by another double wall, five miles long. Attica did not yield more than half the grain consumed by the Athenians, and corn was, consequently, the most important commodity imported. It came from Egypt, Palestine, and Sicily; but the great granary of Greece was then, as it is now for Europe, the Crimea and the Ukraine. Thrace and Macedonia sent timber; from Africa came ivory and gold; from Egypt, linen and paper; while war provided endless consignments of black and white slaves from the outlying parts of Europe and Africa. A trade in furs was carried on with the Scythians north of the Sea of Azov; and from the same people were

procured gold, horses, and skins. Athens monopolised Greek commerce for more than a hundred and fifty years. The chief export trade consisted of wine, oil, figs, wax, and honey, the most fragrant in the world, from Mount Hymettus. Representatives from every mart were to be found in the warehouses of the Piræus. Olives were most abundant, and the fruit was consecrated to Minerva, in recognition of the value of its oil. The entire freedom of trade permitted by the Athenians attracted to their harbour all the choicest productions of the known world, from the snow-clad regions of the north, to the glowing sands of the south. In return, the exquisite creations of Athenian looms, forges, and chisels, went forth to ennoble and refine the manners of mankind. The Athenians lavished their magnificence chiefly on temples and public buildings. Their dwellings were small and externally unornamented. The interiors, however, were sumptuously furnished and decorated. Babylonian tapestries, Thracian pictures and chairs, Carthaginian pillows, Corinthian cushions, and specimens of Athenian art, enriched the apartments. The baths were constructed of marble from Mount Hymettus ; and the dressing-rooms displayed costly fabrics and perfumed requisites for the toilet. A levy was made upon nature for every delicacy of food and wines, with which to spread the table. Chaste jewellery, of the rarest value, adorned the women. The affluence of the state was only subdued in its display by that artistic or poetic perception of harmony which the Greeks evinced from their infancy. As many as ten thousand houses and one hundred thousand citizens, with three times that number of slaves, were enumerated when Athens was in its pride.

CORINTH had the reputation of being the most luxurious city in Greece. Its name has come down to us as indicative of profusion. Its position on the isthmus, uniting the peninsula now called the Morea to the mainland, gave it two harbours, and thus enabled it to command the sea,

both towards Italy and Asia Minor. Corinth did not attain eminence so soon as Athens, but kept it longer. It was a powerful city, as remarkable for its manufactures as its trade, being especially celebrated for metal-work and porcelain. The order of architecture named from the city shows that Corinthian art had reached great perfection. The Romans described the place as containing more statues than any city they had ever taken; and there is a story that during the conflagration which followed its capture, streams of silver and other metals became commingled in the streets to such an extent as to originate a new commercial product, afterwards called Corinthian metal.*

Many of the Greek settlements emulated Tyre in commerce and opulence. *BYZANTIUM* was so happily situated, that, as Hallam observes, its site was selected, by the Greek colonisers, with a sagacity to which the course of events has given the appearance of prescience. Seated on the confines of Europe and Asia, it links the two shores of the Bosphorus rather than belongs to either. Commanding the Euxine, and the terminus of the grand caravan system, the chief line of which was between Sardis and Susa, it became the entrepôt of the known world. Corn and skins from the Ukraine, furs from Siberia, slaves from Circassia, salt fish, honey, wax, and fat cattle, were obtained in return for oil and wine. Even in those primitive days, the Crimea and Southern Russia had become the granaries of more civilised nations, and for the promotion of the trade the Greeks built towns of wood along the shores of the Euxine. Byzantium was placed by its caravan trade in communication with the Ganges and China, whence its

* This origin of "Corinth bronze" is on the face of it fabulous. The promiscuous fusion and intermixture of metals, as described, would not have produced a homogeneous alloy so renowned, nor would the secret of making it have been so completely lost. The Corinthians were indeed long before as skilful in melting together gold, silver, copper, and other substances, to produce their famous composition, as they were in transforming it into the purest style of vases and other forms of grace and beauty.

bazaars were filled with silk fabrics, pearls and gems, spices and balsams, ivory and gold, cotton and linen goods, and Indian wares. The commodities sent in exchange consisted of red coral and amber, dredged from the Mediterranean coasts, glass and metal work. Under the name of Byzantium, the city flourished for a thousand years (B.C. 658 to A.D. 330). It was alternately held during the Peloponnesian wars by the Athenians and Lacedæmonians, and after the expulsion of the latter (B.C. 390) by Thrasybulus, it remained for some time independent. The Macedonians were afterwards masters of the city. Severus (A.D. 196) took it after a three years' siege, and razed a large part of it to the ground. Constantine (A.D. 330) rebuilt it, called it after his own name, and removed thither the seat of empire from Rome.

The island of CRETE for a considerable period possessed an extensive commerce, and is reported to have contained a hundred cities; but it declined, and fell into decay. The common proverb declared that the "Cretans were always liars," a character inconsistent with sound commercial success.

The coveting of CYPRUS, which may be seen from Phœnicia, was probably the first stimulus to the Mediterranean traffic. RHODES, like Crete and Cyprus, owed to its excellent position a commerce out of all proportion to its natural resources. The climate of this island was very fine, and its soil produced excellent wines. A statue of Apollo, called the Colossus of Rhodes, is said to have bestridden the mouth of the harbour, bearing in its outstretched hand a beacon light. There were three hundred and twenty tons of brass used in its construction, which took twelve years to complete; it stood seventy cubits or one hundred and five feet high. The Colossus was shattered by an earthquake, B.C. 224, after standing fifty-six years. Fragments of it remained where it fell for nearly a thousand years, when they were removed,

on nine hundred camels, by a Jew, who bought them of one of the generals of Caliph Othman. Rhodes rose from its ruins, and, till the Romans destroyed its freedom, continued to be the chief carrier of the Levant. To Rhodes we are probably indebted for the foundation of maritime law, and for the system of marine insurance.

MILETUS, the queen of Asiatic Greece, standing near the mouth of the river Meander, boasted of eighty colonies. Its mariners, in order to extend its commerce, ventured beyond the Pillars of Hercules; but its chief settlements were in the Black Sea. It possessed immense flocks, and was noted for its woollen fabrics. It was the emporium for Lydia and Phrygia, and from it the products of these districts were distributed abroad. The city, after offering a vain resistance, was left in ruins by Alexander the Great.

Colonists from Corinth founded SYRACUSE, which eventually became the capital of Sicily. It was one of the most famous Greek colonies, and its wealth and grandeur were based, as in the parent state, upon commerce. When most prosperous it had a circuit of twenty-two miles, and the splendour of its edifices, built of stone quarried in the neighbourhood, was not surpassed even by that of Carthage. The Athenians and Carthaginians in turn besieged the city, but each met with a disastrous repulse. Syracuse is celebrated as having been the abode of Archimedes, who for more than two years, by his mechanical devices, aided his fellow-citizens in withstanding the Romans. After its capture by Marcellus, in 212 B.C., Syracuse became the chief town of the Roman province of Sicily.

Greece, as a Roman province, retained the supremacy of trade. To Greek teachers the Romans owed almost everything in literature and philosophy. They entertained no such fear of the Greeks as they had of the Carthaginians, on the score of military rivalry; and their policy was, therefore, simply that of conquest, not annihilation.

We are now in a position to consider the benefits which

were conferred on the world at large by the commerce and refinements of the Greeks. In this investigation our interest centres in Athens. Spartan pride and roughness must be passed by. The contempt for industry, and the want of sound economy, exhibited in the laws of Lycurgus, might make a state feared, but could not make it truly great or lasting. Baron Liebig says :—" The source of wealth, trade, and power of the Grecian states, when the latter were in their prime, was a highly-developed and widely-spread industry. Corinth produced what would correspond to Birmingham and Sheffield wares ; Athens was the centre of the manufactures which we now find divided between Leeds, Staffordshire, and London, such as woollen cloths, dyes, pottery, gold and silver utensils, and ships. The citizens were manufacturers on the largest scale—ship-owners and merchants, who had their offices and factories along the whole coasts of the Black Sea and the Mediterranean. The men of science were the sons of the citizens, and thus became familiar with trade, manufacture, and commerce. Thales was a trader in oil, Socrates was a stonemason, Aristotle an apothecary ; Plato and Solon were not strangers to trade. In ancient Greece the learned man spoke the same language as the tradesman. The mind of the latter had been as highly cultivated as that of the philosopher, the difference between them consisting only in the direction of their knowledge. Democratic institutions frequently brought them into personal intercourse. In fact, the thirty-eight chapters of ' Problems ' appear to be no other than a series of questions from tradesmen, artists, musicians, architects, and engineers, which Aristotle endeavoured to solve, as far as his knowledge enabled him to do. Until the time of Pericles, no other country of the ancient world united the necessary conditions for the rise of science as they were found in Greece, owing to its social state and to the intimate relationship that existed between the productive and intellectual classes. *But Greece was a slave state, and in*

slavery lay the ban which contracted its civilisation within fixed limits that could not be extended." Servile labour enfeebled the Greek republics, and, with political vanity which followed upon wealth and power, undermined the mechanical arts, made free industry sink in public estimation, and trade to languish. Expenditure increased as production diminished, thrift and zeal gave place to profusion, while political embarrassment and domestic want provoked attacks upon the dealers in corn.

We owe to Greece the invention of coinage. Iron tokens, to which an artificial value was affixed, were used in Sparta; brass coins were used in other states. Athens from the first issued gold and silver coins, the standard of value being so carefully maintained that they passed current without question in every state. Licences to follow certain trades originated in Athens, and laws were made to discourage usury. Debtors were severely dealt with. Deliberate fraud was punished with death, and bankrupts were sold and kept in bondage, till they had saved enough to redeem themselves. Plato was in danger of being thus enslaved for debt, but his friends ransomed him. A public register of debts was kept. We must not forget, however, that our own laws not long ago punished forgery and even more venial crimes with death, and caused debtors to be imprisoned for life, without giving them the chance of labouring for their redemption. To Corinth we owe the appointment of consuls at mercantile ports. The consuls were merchants who knew the manners and customs of the people with whom their countrymen had commercial dealings, and who could be relied on to arbitrate justly when disputes or misunderstandings arose.

Alexander the Great combined with his love of conquest a desire to make Greek trade universal. He planned the conquest of the East and Carthage, of Italy and Western Europe, a group of states of which his native land would be the centre, and Babylon the great Asiatic emporium. His

career, though cut short at an early age, nevertheless contributed partially to bring about this result; inasmuch as through the Greek garrisons settling in the places where they were stationed, the language of Greece became widely diffused, and a strong desire arose for commercial intercourse.

CHAPTER VIII.

PART I.—ROME.

FOR a thousand years the Romans made conquest their policy. They were essentially a martial people. Warfare, however, is destructive of the means of subsistence. While, therefore, we inquire into the industry and commerce of the Romans, with the view of ascertaining how much of our present prosperity is due to them, there is also, on the other side, the question of how much has been lost by the repression or destruction of the genius and individuality of nations, of which they were the guilty cause. The patriotic spirit which leads men to die for their country lost its force in a common subjection to Rome. The sentiment of devotion could not be strong, when the only tie uniting the provinces to the capital was that of subjugation and tribute. The fall of Rome left every European state denationalised, and a spurious civilisation was followed by centuries of barbarism.

While the Roman territories were small—as late, indeed, as the time of Alexander—agriculture was honoured, and the rulers of the state tilled their own lands. When the wealth of Rome increased by conquest, the cultivation of the land, and the manufactures in connection therewith, were made servile occupations, so that the poor citizens who would have been skilled labourers had there been no slaves, became state-fed paupers ready for every political commotion. In the works of Roman writers there are allusions which prove that the Roman citizens did not despise the profits of commerce, and that when even a senator could engage, though illegally and under a feigned name, in the slave or corn traffic, or

turn the skill of his slaves to account, his aversion to the occupation was overcome. Crassus and Cato in this manner gained much of their wealth. Rome, as the capital of the world, the centre to which tribute converged through a thousand channels, disposed of this revenue in a profuse and sumptuous luxury, without parallel either before or since. Denied natural resources for interchange, there poured in continuous streams of commodities both by land and sea, for which the tribute from the provinces and the plunder accruing from conquest afforded means of payment. While the Roman citizens thus consumed the wealth brought to their city, foreign merchants made it a cosmopolitan mart or clearing-house for a fresh dispersion of the products of the Alexandrian trade, the traffic with China and India, the Scythian fur trade, and the trade with Africa, Spain, and Gaul. The productions of every clime were thus brought to Rome, "the gate-keeper of the world," and her merchants enjoyed the advantages of universal commerce without the expenditure of time and money required for extensive travel.

Amongst the middle classes, in the early age of simple wants, a merchant's guild was instituted, but was not held in honour. The fruit and corn dealers took prominent places in the home trade; smiths and carpenters formed a *centuria* to themselves, and tanners and cordwainers were thriving handicraftsmen. Weaving and dyeing were subsequently added to the limited list of manufacturing industries. The facilities afforded for interchange were purely political. The capital was never anything else than a depot, importing everything, and exporting no produce of its own. Thus corn arrived from Sicily, Sardinia, and Egypt; amber from the Baltic; fine cloths from Malta and Mauritania; silks, spices, and gems, by caravan from the Indies. The produce of the soil, the mines and the industry of every province, as well as costly works of taste and of genius, were at the command of a prodigal aristocracy and wealthy

citizens, of victorious generals and of provincial governors, who returned to squander the treasures they had amassed by official avarice and extortion. The revenue that poured into the treasury was prodigious. The private fortunes of some of the citizens exceeded the wealth of many modern kingdoms. Roman profusion was copied in other cities. The disinterment of Pompeii and Herculaneum from their graves of Vesuvian ashes and lava has disclosed the splendid decoration common in the apartments of the wealthy. The exteriors of the houses were plain, but the interiors astonish us with their adornments. In one house a mosaic consisted of nearly a million and a half of separate pieces in one hundred and ninety-eight squares, upon which are depicted, of the size and colours of life, twenty-six warriors, representing the battle of Issus between Alexander and Darius. Two edifices are of special interest as having belonged to the illustrious Caius Sallustius and Marcus Arius Diomedes. The dwellings corresponded in their fashion and appointments to those of Rome, but did not equal the latter in their sumptuous proportions. Pompeian baths, temples, and public buildings, also, scarcely vied with the magnificent structures of Rome. It was a saying of Crassus that "no one was rich who could not support an army" —he himself being worth a million and a half sterling in landed property alone. Scaurus, the step-son of Sylla, built an amphitheatre capable of accommodating eighty thousand spectators. It was supported by three hundred and sixty costly marble, glass, and gilt pillars, and beautified with three thousand statues; even by such profuse expenditure as this, he was unable to dissipate the enormous fortune bequeathed to him by his father. Though the Roman houses were comparatively small, yet the sums lavished upon their construction and furniture altogether transcend modern notions of costliness. A single table, according to Pliny, was often valued at a price exceeding that of the spoils of a city. Cæsar states that the

house of Clodius the tribune cost £120,000. The suburban and country villas likewise afford examples of Roman luxury. Baths covered immense areas. Ponds for fish and eels—of which the Romans were very fond—aviaries for birds, extensive parks for game, and gardens for the choicest fruits, were regarded as necessities. Within doors were rooms for every division of the day and every season of the year.

Voluptuousness reached its highest extravagance during the time of the emperors. To the taste for profusion was added that for the rare delicacies of the table. Pyramids of fowl and game, Trojan horses (wild boars filled with a variety of small game), peacocks, cranes, and nightingales, appeared at the dinners of the great. "If a man will eat daintily," a writer of the period observes, "he must indulge in Samian peacocks, Phrygian fowls, Melian cranes, Ætolian kids, Chalcedonian porpoises, Tarentine oysters, Chian mussels, Egyptian dates, Spanish acorns, murenæ or sea-eels from Tarshish, pikes from Pessinus, sea-fish from Rhodes." Mark Antony served up eight whole boars to twelve guests. Caligula wantonly dissolved pearls in vinegar as part of the fare at his feasts. Thousands of peacocks and nightingales were killed for their brains alone. Vitellius and Heliogabalus are to this day held up as the types of gluttony. Lucullus, a more refined epicure, dedicated his saloons to certain gods, and affixed a scale of entertainment to each apartment. When acting as the host of his friends, Pompey and Cæsar, he directed his servants to furnish an extemporaneous supper in the room Apollo, and explained to his guests, when they were astonished at its magnificence, that it was the rule of his house to spend £1,500 upon every banquet in that apartment. The extravagance in dress corresponded with that in eating. Lucullus lent a hundred purple robes, and offered two hundred for the actors in some public games. It is related of the Roman Apicius, that when by senseless

extravagance he had reduced his patrimony to the last £80,000, he put an end to his life as the only means of escaping destitution. Cæsar, when starting to administer the government of Spain, was arrested by his creditors for a debt of a million and a half sterling; nor would they allow him to set out till Crassus became his surety. A short tenure of office, however, enabled Cæsar not only to pay his debts, but to use a still larger sum in purchasing popularity at Rome. Mark Antony out-distanced all these examples. In a few years of his administration of the states of Asia Minor it is said that he appropriated about forty millions sterling of taxes, and then made the people pay the same amount as before twice a year instead of once.

Roman domination was unfavourable to commerce: the productive resources of the earth declined as it became Romanised. The Romans were, however, too sagacious to rest satisfied with barren conquests. Though unwilling to labour, they stimulated industry to a certain degree in every country that came under their sway. They removed the sense of subjugation by enrolling the conquered people as part and parcel of the empire. They made roads and bridges, they built cities and aqueducts, and brought the soil into cultivation. They encouraged the arts and sciences of the Greeks, and extended their own civilisation to many other countries. The Romans, likewise, in obtaining the supremacy of the world, put an end to the incessant petty warfare between rival states, and established an unrestricted trade and a community of interests in all their provinces. Their chief service to commerce was that of rendering intercommunication everywhere easy and safe. Their great works in road-making spread over every province, from Britain to the Euphrates. So broad and solid were many of these roads that parts still remain entire. Watling Street in our own country is an example. This road led from the Kentish coast through London to Carnarvon, and is still

one of the best English roads. After good roads followed the system of posts or stages, by which couriers in the service of the emperors could change horses—a plan said to have been first used by Cyrus. The post only conveyed public despatches.

Our monetary and banking systems have both been founded on Roman practices. The £ *s. d.* of accounts are the initials of *libræ*, *solidi*, and *denarii*—Latin terms applied to the metals used as media of exchange, whether by weight or coinage. There were in Rome government banks, private banks, and loan banks. A prevalent prejudice against receiving interest for money lent caused the private bankers to be but little esteemed; but the government banks were managed by men of high position. Loan banks lent money on land and other property, for a certain term, without interest.

Constantine rebuilt Byzantium A.D. 330, named the city after himself, and made it the seat of his power; but the Eternal City could not be thus easily stripped of its metropolitan rank. The removal of the capital led ere long to the division of the Roman world into the Eastern and Western Empires. Constantinople became the centre of a power Greek in character, Roman in name.

We have seen how, after the conquest of Carthage, Greece, Egypt, and the East, Rome was flooded with ill-gotten wealth. The citizens made display the chief aim of existence; rank became mere tinsel, and outward prosperity a hollow mask. At length southern and western Europe were overrun by tribes of barbarians who trampled in the dust the power of Rome. The downfall of the Western Empire marks an epoch in political and commercial history. The relation between the different nations entirely changed at this period. It is the historian's line of demarcation between ancient history and that of the Middle Ages.

PART II.—ETRURIA.

ETRURIA (the modern Tuscany), a great and civilised nation before the building of Rome, is an example of a powerful country whose literature is lost, and whose language is extinct, and almost undecipherable. Its history, like that of Carthage, can therefore be gleaned only from references in the writings of its foes; and its refinement, from its buried works of art.

By the Romans its people were called Etruscans; by the Greeks, Tyrrhenians. Amongst themselves they went by the name of *Rasænæ*. The accounts of their origin are purely speculative, for their language, the surest guide in such inquiries, cannot be employed to help research. There are a few indications of Asiatic origin; mingled, however, with evidences of a mixture of races, in which the Umbrian appears predominant.

In the infancy of Rome the Etruscans had extended their power from the base of the Alps to the Gulf of Taranto; and, when pressed back by hostile neighbours, they were still a flourishing and powerful people within Etruria proper. After a long struggle for their independence, they were compelled to yield to the rising power of Rome. In course of time they were enfranchised, when they soon dropped their language, and merged their nationality in the common character of Roman citizens.

Etruria was remarkable for its fertility. The soil yielded rich harvests of corn, wine, oil, and flax. Its maritime position gave the people the command of a great sweep of the Mediterranean, called after them the Tyrrhene Sea. The natural resources of the country provided in abundance materials for ship-building, the Apennines having their slopes clothed with timber, and their flax furnishing textures for sails. These advantages made commerce a natural development of Etruscan life. The inhabitants regarded themselves as exclusive masters of the Mediterranean, and were hostile to every nation disputing with them the rights

of trade in its waters. The Greek colonists in Sicily, united under command of Hiero, tyrant or ruler of Syracuse, met the Etruscan fleet in battle, and defeated it, 464 B.C. Enmities thus aroused being not lightly appeased, the Etruscans for a century afterwards repeatedly made war against the Syracusans and other Sicilian Greeks. The Etruscans enriched themselves by husbandry and cattle-rearing, as well as by their piracy and trade. Corn was sent to Rome almost as soon as that city was founded. The people grew luxurious. They became fond of high living and sumptuous entertainments, drank out of silver cups, and wore costly embroidered garments.

The Roman satirists called them corpulent gluttons, and Virgil charged them with being addicted to all kinds of sensual pleasures. Nevertheless, the Romans borrowed many of their institutions, and sent the young nobility to them for instruction. Art and science were cultivated, and religion mingled in all affairs, domestic and national. Their mythology comprised the two classes of the Shrouded Deities, never revealing themselves to mankind, and the Subject Gods of a lower rank. The chief ports were Pisa, Populonium, Cære, Hadria on the coast south of the Po, and Spina. To these ports were brought frankincense for use in sacrifice, ivory, and the precious metals for manufactures. The Etruscans were noted for all kinds of work in silver, gold, and other metals. Their pottery was in request in every part of Italy. The exquisite vases, found in so many of their tombs, appear, however, to have been the work of Greek colonists. The Etruscans, skilled in painting, sculpture, and architecture, were employed upon Roman buildings, and taught the Romans the use of the arch. The still extant figures of the She-Wolf and of the Orator are often regarded as masterpieces of bronze statuary, though some critics refer these works to Greek artists. Etruscan candelabra, of the same material, were prized by the Athenians as early as the age of Pericles.

CHAPTER IX.

SUMMARY OF THE HISTORY OF ANCIENT COMMERCE.

By careful examination and comparison of the facts of history, we arrive at certain conclusions relative to the rise, development, and limits of the commerce of the Oriental-Phœnician and the Græco-Roman world, and are enabled thence to infer how far ancient principles and influences have moulded modern progress and civilisation. Commerce, whether regarded as rising from the well-watered regions of Cathay, from the plains of Shinar, or from the Delta of the Nile, pursued its beneficent course westward until it rested and centred in Rome. Bactria, the medium of communication between the remote East and Chaldea, appears in the earliest records of commercial intercourse as already enriched by the treasures of India and China in transit to the more magnificent empires of Assyria and Babylon.

The varied means of industrial intercourse—by river-valley, overland, maritime, and oceanic—were primarily utilised by the Phœnicians, whose expeditions, radiating to all the cardinal points, made their nation the first possessors of universal commerce as well as of the chief sites of trade and industry. Once familiar with the open sea, the Phœnician traffic took advantage of the monsoons for the Indian voyage, skimmed the Mediterranean, and brought the arts of trade to the Greeks.

Land and river traffic, the prevailing, although expensive mode of transport in Jewish and other hands, soon fell comparatively into disuse, except in so far as they formed links in the chain of more extensive maritime commerce.

During the Græco-Roman period Carthage appeared,

inheriting both the virtues and the vices of its Phœnician parentage. Its great opportunity came when the supremacy of Phœnicia ceased after the Persian war. In like manner, its decline is to be dated from the establishment of Alexandria as its rival. There seems to have been in the mind of Alexander the project of a universal commercial empire, of which he himself should be the chief potentate, Greece the centre, Babylon the grand emporium, and the deltas of the Indus and the Nile the outlets. It would be vain to speculate upon the merits of a scheme, the realisation of which might have altered the world's destiny, but which was dependent primarily upon unvarying military success, and even more upon a life early and abruptly cut off. An integral part of Phœnician, Greek, and Carthaginian commerce was their systematised intercourse, which extended the number of civilised cities, or the depots of trade, and formed the models of modern colonisation. Eventually the whole of this trade was absorbed by Rome, whose disdain of peaceful industry was not wholly counteracted by the excellence of the imperial roads, and other facilities for transport. With the disruption of the Western Empire Oriental trade was confined to Asia, whilst in Europe, during the migrations of the Germanic races, Byzantium alone retained some degree of vitality, and with it the germs of a new growth.

The commercial world of the ancients, at the time of its greatest extension, was but an irregular zone between 10° and 45° N. lat. Southern Europe was cut off from the unknown North by the Alps and their connected chains, between which and the deeply indented coast of the Mediterranean, was a range of territory so narrow and confined that the climate and resources were nearly similar throughout, thus diminishing the necessity for interchange. Beyond these bounds tin and yellow amber were nearly the only commodities procured from the outer barbarians, whose knowledge of the resources of their country did not exceed that

of the means of supplying their mere animal wants, or of the existence of minerals found near the surface; and whose notions of luxury were confined to glass beads and trinkets. The list of the staples of exchange was not less circumscribed than was the geographical area from which they were drawn. Half the food substances of the moderns were unknown. Flesh, fish, milk, cheese, honey, bread, vegetables, oil, and wine, exhausted the choice of food of the Greeks and Romans. Most of these commodities were too bulky and perishable for the freightage of long caravan journeys, and the ships of the time were too small to carry such cargoes with profit, unless for short voyages. Hence we cannot conceive of any extensive commerce springing up except in union with Asia. Oriental productions were the luxuries of Europe. The Asiatics, though passive and incurious, were always ready to accept the profit brought to them. When this union was severed, commerce disappeared from Europe.

By the concurrent practice of all the nations of antiquity religion and trade were made mutually subservient. The name of every great commercial centre, from the far East westwards, such as Balkh, Babylon, Baalbek, Tyre, Memphis, Alexandria, Carthage, Athens, Rome, is associated with celebrated temples, and less important depots were severally presided over by their tutelary deities. Many devotees were thus, by the profits of business, enabled to perform pilgrimages which otherwise would have been quite out of their power; while traders on the same route were continually reminded of higher duties than buying and selling. So also fairs, attracting merchants from all quarters, were held in connection with sacred festivals. The Isthmian and Olympian Games were of this character. Our modern system of banking was foreshadowed and initiated by the money-changers, who made the temples of old their business resorts.

A history in common appertains to the decay of the great

commercial cities of antiquity. In their infancy, trade, pursued with enterprise and diligence, brought wealth to the state, and the people acquired a taste for luxury and display. An age of indulgence and splendour set in. The desire for wealth grew with its possession. "*Crescit amor nummi quantum ipsa pecunia crescit.*" A spirit of aggrandisement was evoked, and for a time *might* carried all before it. A false sense of security resulted from military success, and licentious profusion took the place of early simplicity. Nineveh, Babylon, Palmyra, Tyre, Meroë, Memphis, Thebes, Alexandria, Carthage, Athens, Corinth, Rome, rose to an extraordinary pitch of greatness, and then fell ingloriously.

The proximate cause of the ruin of the great cities was conquest. They dragged down with them in their fall many dependent cities, by the diversion of trade from its accustomed routes, or by its local annihilation. There is not left one town worthy to represent the glories of antiquity—teeming populations and wealth have alike disappeared. Nature has reclaimed the regions where human life was once so active. The garden has again become a wilderness. The sands of the desert cover the ruins of the capitals of once powerful empires. Over the gigantic monuments which their genius reared the sea now rolls, and pestilent marshes occupy the places where formerly waved the golden grain of their harvest-fields. The contrast between these cities in their prosperity and their desolation is so striking, that we naturally search for the hidden agents of change—for conquest was only an outward cause—so long working to effect the mighty revolution.

Commerce, in itself, had no destructive tendency, nor could wealth, the fruit of commerce, be charged with their ruin. Decline, on the contrary, followed the loss of wealth. The possession of wealth did not necessitate its misuse, for it might as readily have been consecrated to great and noble purposes as desecrated by profusion and vice.

More than once these cities fell a prey to force, yet their vitality remained undestroyed, and they rose again to wealth and consideration, after having been razed to the ground. Babylon was successively conquered by the Assyrians, Chaldeans, Persians, Macedonians, and Romans. Egyptian commerce survived the Persian conquest.

Let us not, then, blame commerce and opulence for results which arose from ill-directed human passions. Conquest was the proximate, not the ultimate, cause of the ruin of the great cities and empires of antiquity. Although their downfall was sometimes accelerated by the ambition or incapacity of rulers, yet the germs of decay were to be found in the sloth, self-indulgence, and venality exhibited long before among all classes of the community. In the days of old, as now, nations were impoverished or flourishing in the ratio of their obedience to moral law.

Two of the main economic errors of the ancients were the prevalence of slavery and the employment of mercenaries for defence. A consequence of the second error was the decrease of patriotism and the loss of nationality. Commerce began to forsake its sites as fast as industry and morality fled, and Greece and Carthage were prepared for submission long ere they fell before the Roman legions.

Mere physical courage did not fail, for its practice was ever called for in mercantile pursuits, and was stimulated by having property to lose. Tyre withstood Nebuchadnezzar for thirteen years, and New Tyre withstood Alexander for seven months, while Rome was more than a century in finally subduing Carthage. *It was the inspiration of loyalty that was lacking.* Rome, whose wealth was not commercial, but extorted by force from its producers, was impoverished without remedy when that force no longer existed, and succumbed with ignominy to barbarian hordes whom the army in its prime would have easily repulsed. So utter was the ruin that the neighbourhood of the imperial city has since remained a scene of desolation, almost as

dreary as the valley of the Jordan, and as silent as the Sahara, while the blight of the evil air, "malaria," or fever scourge, has been a perennial warning to settlers.

The disturbances of traffic by war led to the opening of new routes of trade, which were chiefly maritime. Thus the destruction of Tyre sent trade to Alexandria, Indian commodities coming by way of the Red Sea. The policy of the conquerors also sometimes crippled, diverted, or destroyed trade, as when the Persians became masters of Babylon. Alternations of industry and war, of production and destruction, being unfavourable to commerce, the caravans decreased in number, or sought new routes, and the merchant cities declined. When the means of subsistence were thus lessened or cut off, the population diminished, and fertile territories, once wrested, foot by foot, by human labour from the barren desert, resumed their sterility.

The transformations brought about respectively by industry and neglect are the most startling and instructive contrasts amongst the facts bequeathed by antiquity. Nineveh, Babylon, Palmyra, sprang into existence and reached such a pitch of grandeur that two thousand years have not sufficed to obliterate their ruins. Alexandria leapt into commercial life, conceived and royally constructed by one and the same mind. Although commerce has revived, there has never been a tendency, with the partial exception of Alexandria, to make the ruined sites of antiquity again its emporiums. Are we, then, to conclude that commerce must pass through the stages of birth, maturity, and decay? Will modern commerce thus die out, and British pre-eminence, scarce a century old, become extinct? These problems, called forth by the phenomena of the ancient world, can only be solved by induction from the experience of later ages.

One vital lesson stands out in bold relief upon the rolls of ancient history, and is repeated through all time. It is that human well-being is founded primarily upon labour, and is increased just in proportion as skill and intelligence

devise new means of making that labour productive. Where industry was applied cities were reared, and the deserts around, transformed into green oases, furnished enough and to spare for the needs of commerce. Then, as now, where there were no canals for irrigation, no reservoirs to receive the water from the melting of the snows on the table-lands, the failure of the rains brought to the pastoral people famine, intensified by want of forage for their cattle; pestilence followed in its wake, until the calmness of death and depopulation settled down upon a "God-forsaken country." Then, as now, the Almighty was profanely charged with singling out each country in turn for the visitation of his wrath. Another lesson from the Past is that no nation can maintain its greatness, or escape decay and death, if the springs of life become poisoned by frivolity and vice. We learn from "the land of the cypress and myrtle" that gifts of intellect and taste cannot avert ruin when moral earnestness has been lost; from "Imperial Rome" that no genius for war or government, no vastness of empire or pomp of state, can sustain the social life of a people abandoned to lawless vice.

PART II.

MEDIÆVAL COMMERCE.

CHAPTER I.

NATIONS OF THE MIDDLE AGES.

I.—THE BYZANTINE OR EASTERN ROMAN EMPIRE.

WHEN Byzantium became the capital of the Eastern Empire, Constantine lavished enormous sums in the effort to make it equal the glories of Rome. In imitation of the Seven Hills of the Eternal City, its boundaries were enlarged, so as to include five hills besides the two already embraced. The natural grandeur of the site, however, could not be improved by art. The Bosphorus is a deep, tideless water, and its harbour, the Golden Horn, is eminently fitted for ships of all sizes. Gibbon thus delineates the natural advantages enjoyed by Constantinople as a mart of exchange :—

“When the gates of the Hellespont and Bosphorus were shut, the capital still enjoyed within its spacious enclosure every production which could supply the wants or gratify the luxury of its numerous inhabitants.

“The sea-coast of Thrace and Bithynia, which languish under the weight of Turkish oppression, still exhibit a rich prospect of vineyards, of gardens, and of plentiful harvests, and the Propontis has ever been renowned for a plentiful store of the most exquisite fish, that are taken in their stated seasons without skill and almost without labour ; but

when the passages of the straits were thrown open for trade, they alternately admitted the natural and artificial riches of the North and South, of the Euxine and of the Mediterranean. Whatever rude commodities were collected in the forests of Germany or Scythia, as far as the sources of the Tanais and the Borysthenes; whatever was manufactured by the skill of Europe or Asia; the corn of Egypt, and the gems and spices of the furthest India, were brought by the varying winds to the port of Constantinople, which for many ages attracted the commerce of the ancient world."

The Byzantine empire, after the destruction of Rome, bridged over the interval between the old and the new civilisations. Constantinople, safe from the hordes which had darkened Europe, retained many of the traditions of Rome, and kept up a commercial intercourse with the countries of the East, and mainly by her instrumentality the restoration of art and science was effected.

In the reign of Justinian (527—565) industry and commerce received from a foreign source an impulse, the influence of which has spread more and more in succeeding ages. This was the introduction of the silkworm. For many centuries silk was thought to be a vegetable down, like cotton, its true origin having been jealously concealed from the merchants. Two missionaries returning from China concealed in a cane some silkworms' eggs, which they brought to Constantinople. Worms from these eggs were distributed throughout the Byzantine empire. Cyprus and Sicily soon produced great numbers, and the Peloponnesus became known as the Morea from the white mulberry trees which began to be abundantly cultivated.

Byzantine trade with India was at first carried on through Egypt, the Persians intercepting the direct overland traffic, until the Euphrates valley was once more opened to caravans. Syria and Mesopotamia were subdued by the Caliph Omar, who built the town of Bassora; yet few goods reached Constantinople, for the empire was nearly always at war with the

Arabs. When the Moslems took Alexandria, the communication by way of Egypt was cut off, as the Christian states would enter into no dealings with the infidels. Such, however, was the desire for Indian commodities, that a route was opened by way of the Greek settlements on the Black Sea and Independent Tartary; and for two hundred years the products of India and China reached Constantinople almost exclusively by this circuitous course. Each generation improved the commerce of the Mediterranean coasts, and an active trade arose between the Greek empire and Spain, Africa, and the Republics of Italy. Byzantine commerce during Justinian's reign comprised Egyptian silks and half-silks, raw silks, linen, and flax; sweet wines and fruits—especially dates and figs—sugar, cassia, and drugs; Indian spices, cloves, nutmegs, mace, cinnamon, galanga root, and large quantities of pepper. Precious stones, perfumes, and horses also came from India. Silver was imported by the Genoese, probably from Spain; while the Pisanese introduced woollen stuffs, scarlet, and fustian. Few of the exports were native produce, for Constantinople was an emporium rather than a manufacturing city. Grecian velvets, other silk stuffs, cotton cloths, linen, and wool; nuts, saffron, oil, timber, pitch, honey; gold, silver, mercury, copper, iron, tin, lead, weapons, and slaves are enumerated. Restrictive laws led to an illicit trade in some varieties of goods, of which purple state-robcs were an example, their export being prohibited. The commercial vigour of the ancient Greeks never distinguished their Byzantine posterity.

The land trade of Constantinople was carried on with no great activity. The Avars, a nation of conquerors inhabiting the provinces of the Danube, from Upper Hungary to the Inn, had the management of the Western land traffic. They were the carriers of goods, some of which eventually reached the most northern kingdoms of Europe, but by the middle of the ninth century their name was extinct; the bearers of it,

of Asiatic or Turkish origin, being treated as barbarous intruders both by the Germans on the west and the Slavonians on the east, are said to have been wholly exterminated. There is an old Russian proverb to the effect, "They are gone like the Avars, man and child."

For two centuries the Bulgarians carried on the trade between Constantinople and Germany, till disputes arose between them and the Greeks, who were at first defeated in the fierce encounters that ensued; but the Bulgarians were at length subdued by the Emperor Basil, in 1018. The Bulgarian movements, as well as those of the Slavonians of Moravia, were in a great measure determined by those of the Hungarians, who, emigrating into Europe from the back of the Ural mountains in the ninth century, took possession of the plain of the Danube, and established there a kingdom which still preserves in its name (Hungary) and that of its people (Magyars) the memory of its founders. The Ungrians made Semlin in Hungary the depot of the international transport trade. They took upon themselves the conduct of the traffic throughout, built factories, and established agencies in the capital, where Stephen I., who died in 1038, erected for their encouragement a splendid place of worship. Hungary flourished in every town because of the rich profits of their extensive business as carriers and brokers. This Western land traffic waned, and in the end disappeared, before the rising maritime commerce of Venice, Genoa, and other Italian republics. The commodities which specially distinguished the Western trade consisted of raw produce, manufactures, and works of art; Greek artistic work; olives, saffron, and hazel nuts; oil, liquorice, raw silk, silk and mixed stuffs; purple and priestly robes; gold dust and Eastern spices; pepper, ginger, cloves, nutmegs, galanga root, and anise-seed. Sword belts bound with brass and copper were sent by sea to the West, and in the land traffic Constantinople received overland from Germany Wendish slaves or serfs; from Bohemia and Moravia, weapons of

ancient German manufacture; wooden tools and saddles from the Low Countries; woollen and linen, principally of Friesland make, and metals, from Transylvania and Hungary.

During a part only of this period could Byzantine commerce take the old Chaldean road to India. Obstructed by Persia and by continual contentions with the Arabs, the route through Independent Tartary was made use of. Byzantine commerce both by land and sea at length lost all its importance, and fell almost entirely into the hands of the Italians.

II.—LATER MARITIME TRADE.

THE decay of the Byzantine trade is to be traced in part to the struggle for empire between the Mohammedans and the Greeks. The government of Constantinople could not safely spare vessels of war to convey merchandise across the sea. The neutral states shrewdly took advantage of this condition of things, and the Mediterranean trade quickly passed over to Italy. The vessels of the empire were confined exclusively to the waters of the Black Sea. The policy pursued by the Greeks in commercial affairs aided very much in driving traffic out of their own hands. Justinian increased his revenues by granting monopolies, and by reserving to the state the sale of important articles. As a government can never be so good a trader as an individual, whose fortune depends upon his enterprise, thrift, and skill, Justinian's policy led to the decline both of manufactures and commerce, which every year went farther westwards.

Venetian merchants visited the Levant as early as the ninth century. Nevertheless, during the Dark Ages, but little intercourse took place between the Eastern and Western nations, until the Crusades broke down the wall of separation. At first the Venetians sought permission from

the Byzantine court; but in the time of the First Crusade their services were of so much importance that they were welcomed to Constantinople, obtained the control of the entire Greek navy, entered into alliances with noble families, and became possessors of great property. Such prosperity was not lasting, for it involved the Venetians in the wars of the Greeks. In 1172 the Emperor Manuel Comnenus required them to assist in attacking the king of the Two Sicilies, and upon their hesitating, he treacherously pretended to continue on friendly terms with them till an opportunity occurred of seizing their vessels and cargoes, and imprisoning the owners. Although he afterwards set the merchants at liberty, they never regained their goods, Comnenus delaying the restitution from time to time, and his successors refusing it altogether.

As soon as the Venetians lost influence at the Byzantine court, the merchants of Genoa, Pisa, and Amalfi sought commercial intercourse, and the emperor assigned to these traders a portion of Constantinople in which to erect their dwellings, stores, and churches. States which treated each other's vessels as pirates, and were envious of each other's prosperity, could, however, no more agree in that city than in Italy. The Genoese and Pisanese fought, whenever they met, as fiercely as they did at sea and at home. During the time of the Fifth Crusade (1198—1204) domestic contentions placed a usurper on the Byzantine throne. The rightful heir applied for help to the Crusaders, who, in conjunction with the Venetians, took Constantinople in 1203, and made the heir to the throne their creature. Another revolution took place in three months; the usual scenes of pillage and murder ensued, the city was partly destroyed, and Baldwin of Flanders was made emperor. The Venetians re-established themselves in the capital, took possession of the sea-coast, and monopolised the commerce during the time that the city was in the possession of the Crusaders. It was restored

by the Franks to the Greek emperors in 1261, who ruled it till the Turkish conquest.

The Indian trade was carried on by the Venetians, while they held Constantinople, and by the Genoese who succeeded them. More than once, however, a papal interdict denounced all intercourse with the Arabs—except that of war—and prohibited Christians from supplying them with weapons, iron, and timber. This interference on the part of the Church obstructed the direct trade through Egypt, and made it necessary to seek some other route. Tana (*Azof*) and Feodosia (*Kaffa*) were founded as starting-points for a caravan route through Bokhara, Samarcand, and Balkh. Bokhara and Samarcand are parts of the province sometimes known as Western Turkestan, to distinguish it from the Eastern or Chinese province of the same name. Great Bokhara and Mawar-al-Nahr are also names which have been given to it at various times. It corresponds to the Sogdiana and Bactria of the ancients. The only variation from the route that had once before existed, was in the region between the Crimea and the Caspian. The caravans reached the Volga, and the merchandise was sent up the river to Astrakhan, carried overland to the Tanais or Don, and thence down the latter river to Azof. The Pisanese also shared in this trade, having their depots at Kaffa.

The revolution that terminated the Venetian hold upon Constantinople also brought the Græco-Latin empire to an end. Michael Palæologus, the new ruler, had been assisted by the Genoese in ascending the throne, and he rewarded them with privileges which gradually enabled them to drive their rivals, the Venetians and Pisanese, from their vantage, and to dispossess them of the trade, both in the city and the Black Sea. The Genoese, now in the ascendant, signed a commercial treaty with the Khan of Tauris, now the Crimea. The Venetians, regardless of their religious scruples, or of the papal interdict, entered into a similar treaty with the Arabs in order to obtain the produce of

India through Syria and Egypt. The interdict was not removed till 1345; but from this time, till the Portuguese doubled the Cape of Good Hope, the wares of India found their way unimpeded through Egypt to Venice, their chief emporium.

During the hostile rivalry of the Venetians and Genoese for Byzantine trade, many of the German towns, formerly supplied through the Italian marts, found it more advantageous to open direct communication with Constantinople, in order to obtain Indian produce. The Danube, as far as Servia, became the means of transport, and thus in the twelfth century a chain of commercial stations linked the Bosphorus with the German Ocean. Vienna, Ratisbon, Ulm, Augsburg, and Nürnberg were the leading towns in South or High Germany engaged in this through trade.

The Greeks highly valued the trade with Russia, whence were obtained furs, and slaves, grain, dried and salt fish, hides, iron, timber and pitch, honey and wax. Slavonic merchants took the most active part in this commerce, as intermediate agents between the *boyards*, or Russian nobles, and the Greek government. Travelling did not suit the indolent Greeks. They found it easier to apportion a suburb of their city to these traders, and to bribe them into residence, by furnishing them monthly with supplies of bread, fish, meat, wine, and oil, than to take an active part in the trade themselves. By a selfish policy, however, which defeated and ruined the trade, they levied imposts upon goods arriving in Constantinople, and drove away the Russian merchants during the winter, in order that the city might always remain an emporium, and that the Venetians, Genoese, and Pisanese should not become direct customers of the northern traders. The Russians from Novgorod and Tschernigov used to meet at Kiev and repair to Constantinople together; but from the obstacles put in their way, they arranged to meet the Venetians at the mouth of the Dnieper, where Russian

interchange was from this time effected without passing through Constantinople. Fish and grain were the sole Russian commodities which then reached that city. In the thirteenth century sixteen hundred vessels were employed in this fish trade.

Despite the false economy of the Byzantine government, trade had greatly enriched Constantinople. When taken by the Crusaders and Venetians, it was, in the words of Hallam, "decked with the accumulated wealth of ages, and resplendent with the monuments of Roman empire and of Grecian art." The severity of ancient taste, which had existed through nine centuries, was seen gliding into the more various and brilliant combinations of Eastern fancy. In the libraries were gathered the remains of Grecian learning, which the chiefs of the Crusaders were no more able than their soldiery to appreciate. "Four horses, that breathe in the brass of Lysippus, were removed to the square of St. Mark at Venice, and we have to deplore the fate of many pieces of sculpture wantonly destroyed or coined into brass money." Thus the Greeks threw away their noble commerce. Timid and self-indulgent, they declined the labour and risk of national enterprise, and over-reached themselves by endeavouring to wring their profits out of more adventurous races. From the time of the crusades Byzantine commerce ceased to be worthy of mention, and after more than a thousand years of power, A.D. 328—1453, Constantinople was taken by the Turks, and the existence of the Greek or Eastern Empire ceased.

CHAPTER II.

I.—THE ARABS.

ALTHOUGH their country had been the highway of traffic from time immemorial, the Arabs can scarcely be said to have had a national existence till, as Mohammedans, they burst forth from their deserts, and subdued the nations from the Indus to the Pyrenees. Inspired by the precepts of their new religion, they encouraged trade and the arts as works pleasing to God. Ancient writings are full of reference to Arab trade. A company of Midianite merchants going down into Egypt bought Joseph of his brethren. When the Jews despoiled the Midianites, they took golden collars off the camels, as well as ornaments of gold from the merchants. From the prophet Ezekiel we learn that Edom had the control of the trade with Phœnicia, giving emeralds, purple, brodered work, bezoar, and precious stones, for Phœnician wares.

Predatory Arabs infested Egypt, and kept possession of Thebes for several centuries before the time of Sesostris. Gherra, on the Arabian side of the Persian Gulf, was for ages a commercial link between Babylon and India. Some historians think that Ophir, whence Solomon obtained gold, silver, gems, and sandal-wood, was in south Arabia. The early intercourse of the Phœnicians with India was carried on by caravans across the desert, the Hebrews acting as intermediaries in Syria, and the Arabs in their own land. Herodotus says of Arabia, that it was the only place where frankincense and myrrh were to be found.

Arab commerce in the Middle Ages attained great magnitude. Along the African coast the Arabs planted trading stations communicating with Egypt. They possessed also, for a time, the entire maritime commerce of the Mediterranean. Before the conversion of the Arabs to Moham-medanism, they had regarded Mecca as their capital. It afterwards assumed additional importance as a sacred shrine for pilgrimages. The ancient caravan routes were revived. Medina, Kufa, Borsippa, Bassorah, Damascus, Bagdad, Mosul, and Madain, the last-named situated opposite the ancient city of Seleucia, on the Tigris, were also caravan stations, and acquired thereby fame and opulence. The capital of the caliphate, and the centre of the routes traversed by the caravans, was Bagdad, which, in commercial activity, eclipsed its splendid predecessor, Babylon. Pilgrims visited it from Arabia, Turkey, Egypt, Persia, and the west coast of Africa. Most of them combined traffic with devotion ; some were hired as guards ; some came as proxies for true believers, who, in lieu of pilgrimage in person, preferred to employ the services of professional pilgrims. Commerce was attracted to every spot where the Arabs settled. When they conquered a state, they appointed a governor and a *cadi* or judge, and established mosques and schools. Highways were constructed, and kept in good condition. Wells were opened along every route which led to the Holy City. Caravanserais, or halting-places for the night, were placed at convenient intervals, landmarks were set up to indicate distances, and posts were established where fresh horses and camels could be obtained. These matters became a part of the state administration. Great commercial advantages arose from the magnitude of the Arab empire, and the policy pursued by its government.

A community of language throughout their possessions in Europe, Asia, and Africa, promoted social intercourse. Traders could journey throughout the whole extent of the Arab empire, certain of a caravanseraï, and of being not

only understood but welcomed in every town. Trade was unimpeded by restrictions imposed by rival states.

Their prosperity surpassed that of the ancients, both in its extent and its diffusion. In their dominions commerce was free, for to restrict the trade at any place was to impose a penalty on themselves. They broke up the system of concentrating wealth upon one gorgeous emporium, till it sank under the weight of its voluptuous burden ; they multiplied trade marts, and made their whole dominion a hive of industry.

The social life of the Arabs offered a marked contrast to that of the European nations. While civilisation was barely kept alive in Germany, Gaul, and Britain by the monks, and the inhabitants were in a state of rude poverty, treasures of gold and silver, works of art, and splendid palaces abounded in the cities of the Arabs, thus realising in a great degree the marvels of Arabian fiction. The caliphs patronised letters. Jewish, Persian, Spanish scholars were welcome at their courts. The writings of the Greek philosophers were translated, and eagerly read ; astronomy and chemistry were studied, and it is to the Arabs we owe our numerical system and the science of algebra.

Geographical knowledge was greatly increased by the enterprise of Arab traders. Caravans passed through Tartary into Siberia. Arabs settled in India, where various native princes embraced the Mohammedan faith. Trade extended still farther east, and merchants soon penetrated to the Indian Archipelago and China, and, westward, caravans reached the Niger, fetching thence gold and slaves, and also wild beasts, upon the taming of which the Arabs exercised all their skill. On the east coast of Africa it spread as far as Madagascar. Everywhere arose well-peopled towns and splendid palaces, and by skilful irrigation the land yielded bounteous harvests, which in their turn multiplied commodities for exchange.

The wealthy prided themselves upon the cultivation of

beautiful gardens, and even the lower classes exhibited taste in producing the refinements of life. Silk stuffs were among the choicest articles of manufacture. A thousand silk tapestries, embroidered with needlework of gold thread, are described as belonging to the Caliph Mostansir. Those tapestries represented the caliphs and heroes of the Arabs whose names and deeds, together with the name of the dynasty to which they belonged, were embroidered by the side of their respective portraits. Besides historical incidents, figures of towns, roads, rivers, and seas were worked upon carpets, in gold, silver, and silk thread of many colours, upon a ground of blue silk. These carpets were very costly; one alone is said to have been worth 22,000 deniers. Yemen, in Arabia, excelled in weaving; and Sana, the chief town of that district, produced dates and flour. The balsams of Mecca were exchanged for the textiles of Persia and India. Coffee was a product of Arabia, and called *kahwah* (pronounced by the Turks *cahveh*), a name derived from its original use, as a stimulant to induce wakefulness.*

Another result of Arabian commerce was a love of travel. Merchants sent their sons under convoy of the caravans, as a necessary part of education, and made them visit distant cities, in order to obtain instruction from teachers eminent in science and art. A higher degree of civilisation was thus attained than ever before existed. The glories of Bagdad, the capital, especially attracted foreigners and strangers from all parts of the empire; its visitors equalled in number the pilgrims to Mecca. Princes went there as a completion of their mental culture.

* It is interesting to trace the growth of this beverage in public favour. Coffee-houses, the first opened, were established at Constantinople in 1552; at Marseilles in 1671; Paris, 1672; Hamburg and Nürnberg, 1696; London, 1652, in St. Michael's Alley, Cornhill, by Pasqua Posee, at the sign named after his own head. The coffee plant was introduced into Batavia, 1690; Amsterdam, 1710; Surinam, 1718; Hindostan, 1719; Cayenne and Martinique, 1722; and Jamaica, 1732.

Damascus, the chief town of the province of Syria, and one of the oldest cities in the world, was situated on the line of route taken by the pilgrims, and profited from their traffic. Damascus was always celebrated for its cutlery, and particularly for its sword-blades. The beautiful trace-ries wrought upon them gave rise to the term "damascening," as applied to steel; while "damasks," as applied to textile fabrics, indicate a raised pattern, greatly prized. The district of Armenia, and especially Trebizond, on the Black Sea, was famous for purple tapestry. In the bazaars of Teheran, through which city a caravan route led into Tartary, were elegant household furniture, linen, cotton, and camel's hair fabrics, combs, and miscellaneous goods. During the period of Saracen supremacy, the internal trade of Persia had its chief seat at Ispahan, the capital. Textile manufactures of remarkable softness, both in linen and wool, were produced in this city, the linen being as fine as silk, and the wool the produce of a superior breed of sheep, peculiar to the fertile region in which they were bred.

Part of the Aralo-Caspian depression was peopled with traders, who acted as the intermediate merchants between the Russians and the Arabs, the latter supplying linen, silk, and cotton manufactures, in exchange for furs, honey, and wax from the north. The route taken by the traders extended from Khorassan to the mouth of the Volga, diverging thence northward to Kazan, and westward to the Don. Political relations were formed between the Arabs and the Chinese. Three caravan routes connected Bagdad with Canton. Two of these routes were by way of Mongolia, the towns of Independent Tartary being the principal depots; the third passed through Bactria, by way of Balkh and Khotan, both important trading towns. Khotan also received the name of Kiu-sa-tan-na, or "Bosom of the Earth." Its manufactures were numerous, the sciences and arts were assiduously cultivated, and the neighbourhood was strikingly beautiful. A caravan trade extended from Kho-

rassan, through Affghanistan and Bactria, to India, passing four large towns in its route, Nisapur, Meru, Herat, and Balkh. Meru produced textile fabrics, and was the centre of the silk trade. Herat manufactured carpets and sword-blades, and saffron and assafoetida were extensively cultivated. In the midst was a magnificent mosque, while at the foot and at the summit of a hill respectively stood a Christian church, and a temple to the sun for the use of the fire-worshippers. Balkh, from its antiquity, was called the mother of cities. Precious stones were found abundantly in its vicinity. One of its caravan routes led to Moultan.

II.—THE ARABS IN SPAIN.

SPAIN fell under the Saracen yoke, A.D. 712, at a period when the conquerors were quite as barbarous as and much fiercer than the Visigoths whom they supplanted.

Part of the peninsula was conquered by arms, and other parts were acquired by treaty. The Saracens, as lords of the soil, claimed the sole ownership of every conquered district. Where treaties were entered into, they allowed the inhabitants to retain the rights of property, but jealously excluded them from military service. An Eastern army was distributed over the principal Iberian provinces. Cordova maintained the legion of the caliphs; Seville was occupied by the troops of Emessa; Algesiras and Medina-Sidonia by soldiers from Palestine; Granada by a thousand horsemen chosen from the highest Arab families. The Moors invaded France, A.D. 720, and advanced as far as Tours, near which they were defeated, with terrible slaughter, by Charles Martel, A.D. 732. The Pyrenees proved an obstacle which the Arabs could never permanently surmount. The hardy mountain races would not submit to foreign rule, but, during the four centuries of Moorish domination, waged an offensive as well as defensive warfare.

Moorish history in Spain is the counterpart of that of the great Eastern monarchies. Wisdom and bravery produced in one age fruit which folly and effeminacy forfeited in the next. Under the hand of industry, the land brought forth abundantly; even the most sterile parts were fertilised by means of canals and aqueducts, and commerce aided the growth of wealth. In less than half a century, the mandates of religion and the natural aptitude of the Arab race for civilisation brought rapid advancement, and the ruthless invaders had become a polished people.

The emirs of Spain at first owed allegiance to the caliphs of Damascus. When the dynasty was changed, Abdarrahan, a fugitive from the ancient royal house, arrived in Spain, where he became the sovereign of an independent Moorish kingdom. The wealth which had been paid as tribute to Damascus now remained in Spain. Writers give the annual revenues of Abdarrahan at 10,000 ounces of gold, 10,000 lbs. of silver, 10,000 mules, 1,000 suits of armour, 1,000 helmets, and 1,000 lances. Abdarrahan III. enjoyed still greater revenues. His reign was the zenith of Moorish prosperity. Without bearing heavily upon his subjects, he collected the annual amount of five and a half millions sterling. His grand vizier on one occasion made him an offering which shows the profusion of Moorish riches. It consisted of 400 lbs. of pure gold, 420,000 deniers in silver bars, 400 lbs. of aloe-wood, 500 oz. of amber, 300 oz. of camphor, 30 pieces of embroidered cloth of gold, 10 martenskin mantles, 100 fur mantles of other kinds, 4 dozen horse-cloths of gold and silk, 4,000 lbs. of wrought Spanish silk, 30 Persian carpets, 800 sets of steel harness, 1,000 shields, 100,000 arrows, 115 Arab steeds, and 20 mules with costly coverings.

Genius and learning followed in the train of prosperity, and influenced the manners and customs of the age. Oriental fancy revelled in the harmony of gold and colour, as seen in the fretwork tracery of the courts of the Alhambra.

Mosques and palaces were numerous in every province; their grandeur and beauty, as exhibited even in their ruins, being objects of wonder to the modern traveller. At Cordova the mosque built by the first king Abdarrahan was 600 feet long by 250 feet wide. The roof was supported by marble columns, 1,093 in number, dividing the central space into twenty-nine compartments. Between 7,000 and 8,000 lamps, consuming daily 20,000 pounds of oil, illuminated this splendid edifice. The Palace of Zehra was even a still greater triumph of architecture. It occupied twenty-five years in building, and cost three and a quarter millions sterling. A whole town was afterwards built out of its remains. Cordova, the Moorish capital, was celebrated for its silversmiths' and filigree work, as well as for Cordovan leather. There were in this city 600 mosques and nearly 1,000 baths; and its industry employed 200,000 families, each occupying a separate dwelling-house. There were 16,000 looms for silk-weaving, and 130,000 weavers in Seville alone: 400,000 inhabitants are reported to have quitted the city when the Moors surrendered. The villages along the course of the Guadalquivir were scarcely a quarter of a league apart. Industry in every form was vigorously pursued. No degradation was felt to attach to labour, nor was it considered servile, as with the Greeks and Romans. The Arabs, as conquerors, were more lenient towards those who submitted to them than were the victors of earlier times, and they have the credit of always maintaining treaties inviolate. Old silver mines, thought to be exhausted, were made to yield afresh by skilful working; and the Spanish mines then furnished the chief supplies of precious metals. Rubies were sought in Beja and Malaga, and coral and pearl fisheries were prosecuted on the coast. In the weaving and dyeing of silk and wool, and in metal-work especially, the Moors attained great eminence. Other produce of their labour and skill was exported to Constantinople, in the form of raw silk, oil, sugar, quicksilver,

bar-iron, dye-stuffs, amber, loadstone, antimony, rock-crystal, sulphur, and myrrh.

Granada enjoyed a prosperity beyond that of the fictitious wealth afterwards due to the discovery of the American gold and silver mines. Valencia too, before the Moriscoes were expelled, was the best cultivated district of the Iberian peninsula.

Long-continued success filled the Moors with false confidence; they grew vain, and lost the fervour of religious zeal. Absorbed in pleasure, or covetous of power, they disregarded the intrepid mountaineers who had never been subdued, and who were destined at last to win back the peninsula from its enervated invaders. During the fifteenth century the Moors were driven from Spain.

III.—AFRICA.

Barbary.—Barbary was the Arabic term vaguely used before the Saracen conquest to designate the Mediterranean states of Africa, from Egypt to the Atlantic Ocean. Part of this region was anciently known as Mauritania. The Saracens from Egypt overran these territories for a distance of 2,000 miles, and governed them by a viceroy from Damascus. The breaking up of the first caliphate induced the Barbary Arabs to imitate the invaders of Spain, and establish an independent sovereignty, under the Fatimite caliphs of Egypt. Kirwan, the capital, founded in 670, and situated twelve miles south of Tunis, was the residence of the viceroy. Though now a town but little known, it was then the nucleus from which radiated caravan routes to the east, west, and south. In the heart of the city was a grand mosque, 250 yards long by 150 broad. It was surmounted by a white marble cupola, supported upon 32 columns of the same costly material, while 414 stone pillars formed a portion of the general structure. From this centre led splendid streets, through which diverged a con-

tinual trade to the seven gates of the city. The street to the Spring Gate and that to the Tunis Gate were lined on each side for a length of over two miles with shops displaying the produce of every clime, from the distant Urals and from the still more remote empire of China. Many flourishing towns were within easy reach of Kirwan, each boasting its marble palace and its market-place. Bakkadah was noted as the only town where palm wine was sold, and Kafsah numbered in its environs as many as two hundred castles. Sabrah, in the line of the grain trade, was connected with the capital by means of a long wall. Several busy harbours lay near Sabrah, as famous for their manufacturing industry as for their maritime trade. Susah wove a transparent tissue so exceedingly fine that it was designated "woven wind." Mahadiah and Safakas cultivated the white mulberry and reared silkworms. Tarabolos was situated near a saline plain, from which the inhabitants obtained large supplies of salt. Every port on the coast carried on a vigorous trade, both inland and marine, the latter chiefly with Sicily and Spain, while caravans kept them all in connection with the capital.

The fruitful region of ancient Mauritania, now an arid strip of desert, corresponding to Morocco, Fez, and Western Algeria, boasted numberless castles and villages, and was intersected by a network of aqueducts for irrigation. Nature not more benign then than now, rewarded industry and skill with sustenance and comfort for a thousand inhabitants, wherever water was supplied, for every ten who now exist there half famished. Such advantages attracted inhabitants from Arabia, as well as many of the Moors from Spain, who together founded the city of Fez in the eighth century. Fez became eminent for its manufactures, especially that of Fez caps, still worn by the Turks. Besides its looms and dye-works, it fabricated silk and gold thread, and possessed smelting furnaces and manufactories of soap. The fertile soil produced grain, dates, grapes, and olives.

Rich meadow-lands fed fine herds of horses, goats, camels, asses, and flocks of sheep. Iron, copper, and antimony held the chief place among its mineral produce. Commerce was carried on with Mecca by caravans, and with the Levant, Sicily, and Spain by the feluccas or Arab vessels. Central Africa (Soudan, Nigritia, or Negroland) was visited for black slaves, gold dust, ivory, and feathers, for which Segel-Messa was made the emporium. From Segel-Messa, which was also a manufacturing town, caravans struck off east and west to Egypt and the Niger. So important was this commerce, that the Arabs cut through a mountain pass fourteen leagues in length, in order to facilitate the traffic.

Egypt was overrun by the troops of Amrou, general of the fierce caliph Omar, to whom is attributed the order to burn the library of Alexandria, upon the capture in 640 of that city, under the plea that if the books agreed with the Koran they were needless, and if otherwise they were baneful. By this wanton act the baths of Alexandria, it is said, were supplied with fuel for half a year. Alexandria retained its rank as a great commercial city for a thousand years; and survived many alternations of fortune. It was the chief port for the Barbary fleet of the Venetians, and was their resource, in opposition to the papal interdict against intercourse with the infidels, when they lost their standing at the Byzantine court in 1261. It retained a degree of importance, as a channel whereby Indian produce, through Egypt, reached Venice, until the new route to India, round the Cape of Good Hope, led to the desertion of the ancient pathways of trade.

Under Arab rule, the commerce of Egypt rose to a high degree of prosperity. Syene was the emporium of the caravan trade. Temnis and Damietta stood nearly on an equality as the principal industrial towns. Caravans going to the East met at Fostat, then the capital of Egypt. Many advantages resulted to the town from this arrangement, and it became the centre of Oriental riches and

splendour until the twelfth century (A.D. 1167), when it was burnt to the ground. The city of Cairo was founded by the Saracens.

IV.—SICILY.

FROM A.D. 832 to 1090, the Arabs held possession of the delightful island of Sicily, where winter is as delicious as spring, and summer is tempered by the sea-breezes. As conquerors, they conciliated the Sicilians, and added to the native productions cotton and sugar from Egypt, and manna from Persia. Immense crops of corn, especially wheat, had made Sicily the granary of the ancient world. Vines, olives, and many kinds of fruits abounded; its minerals were also rich and varied. Sicilian embroidered works and tissues were highly esteemed, and were, it is said, always worn at the coronation of the German emperors.

Everything connected with the Arab system of trade indicates a highly advanced and noble-minded race. Their commercial laws, even when violating the principles of political economy, were framed in a spirit of humanity. They regulated the price of the necessities of life in what they thought the interest of the poorer classes, so that the burdens of these should be light; and they forbade the over-lading of sea-going vessels, so that merchants eager for profit should not freight their ships at the risk of seamen's lives.

The maritime commerce of the Arabs was extensive, yet insignificant compared with their caravan trade. Travelling by sea was a task for which their previous history had not prepared them. Considering, however, the poor craft to which they entrusted their lives and goods, the extent of their maritime commerce may well excite our astonishment. Eastward they started from Bassora for Muscat, where they had before them the south-east coast of Africa on the one hand, and India on the other; both of which

regions they visited, for the purposes of trade. Nearly every place now existing on the east coast of Africa had an Arab origin. Gold-dust, ostrich and peacock feathers, leopards' skins, elephants' tusks, amber, and tortoise-shell, were brought to these marts or depots by the inhabitants of the interior. Similar stations were established on the Malabar coast of India, whence they pushed their trade to still more distant parts—the Maldiv Islands, Ceylon, Sumatra, Farther India, and the Nicobar Islands. The Arab merchants were welcomed in China on their first arrival, in 787, and although the Chinese imposed upon them strange modes of selling the goods, yet the founding of agencies was permitted, the traders were exempted from fiscal burdens, and justice was permitted to be administered by their own judges. Few ships, however, ventured on a voyage so full of risk as that to the distant seas of China. When the merchandise of India was diverted to Portugal, the Arabs, as agents and interpreters between the Portuguese and Hindoos, regained much of the importance they lost as active merchants. In these voyages they guided their course by a piece of floating wood, furnished with a needle, which had the curious property, under all circumstances, of pointing northward, an instrument which they most probably adopted from the Chinese, who still use it in their merchant craft. An improved form, under the name of the mariner's compass, has given confidence to seamen, has encouraged commerce, and, more than any one discovery besides, has aided geographical research.

CHAPTER III.

COMMERCE OF THE ITALIAN REPUBLICS.

VENICE.

VENETIA, on the mainland of Italy, had for many generations been a flourishing province of the Roman empire, when Attila, king of the Huns, with his fierce followers drove the inhabitants from their homes, to seek shelter in the lagunes at the head of the Adriatic Sea. These lagunes, about four miles in breadth, lay within a long, narrow, insular belt of sand, having several openings to the sea, and were so shallow that a considerable part of their bed was laid bare at every ebb-tide. The difference between the old and the new habitations of the people was as great as can be conceived. The generous Italian soil, which had lavishly supplied them with oil and honey and wine, and whose meadows had given sustenance to fine breeds of cattle, was exchanged for flats of mud and sand—the deposits of the southern Alpine streams. Little of the ground was capable of producing more than a stunted vegetation, and its possession was disputed by sea-fowl. Upon so unpromising a foundation the Venetians built their commercial greatness. Their natural resources were salt, in exhaustless quantities, from the lagunes, and equally unlimited supplies of fish from the sea. These were their earliest articles of trade, and they obtained in exchange from the neighbouring shores greater variety of food, articles of clothing, and timber for their galleys. To such a race, life on the water was as natural as that on land, and they became expert and daring sailors. Their obscure position caused them to be overlooked while the Goths were para-

mount, and each succeeding age their vessels increased in number and in size. With their growth in power and wealth, the Venetians repossessed themselves of their ancient territories.

The foundation of Venice was laid in 452, ere Genoa and Pisa had entered upon mercantile pursuits. Commerce must have made considerable progress before the end of the fifth century, when the Venetians are referred to in history. In the latter part of the seventh century their government assumed the form of a republic, citizenship in which was easily obtainable. It was not, however, till the time of the Saracens that Venice attained its greatest power, ruling territories on the mainland of nearly 20,000 square miles in area. Their ships made them the chief carriers of Europe, and they were called upon to convey the Crusaders to the Holy Land. Venice was aggrandised by this traffic, not only getting rich freightage from passengers, but bringing costly cargoes home from the East: her merchants, too, were ever ready to take possession of trading stations, wrested from the infidels by the soldiers of the Cross, and even to trade with the Saracens. Venetian commerce attained its greatest extent when a great armament, starting in 1204 for the recovery of Jerusalem, took advantage of factions in Constantinople, and turned out of its route to seize that city. Blind old Dandolo, the Doge of Venice, headed this enterprise, in which a French contingent had been persuaded to take part. In the division of the spoil the Venetians looked chiefly to themselves. Henry Dandolo took the curious title, accurately descriptive of the Venetians' share, of "Lord of Three-eighths of the Roman Empire." They also made bargains with the needy Crusaders, and thus increased their share of the capital and its provinces. In this way they became possessed of the Peloponnesus, Cyprus, Candia, and the Ionian Islands—places which they long retained.

The revolution brought about by the Genoese and Greeks

in 1261 led to the banishment of the Venetians from Constantinople and the Black Sea. Venice now turned her attention to Alexandria, with which port so profitable a trade was carried on that the merchants were able to disarm ecclesiastical threatenings by large bribes, and yet to enrich themselves. A few years later the Venetians asserted their pre-eminence over the Genoese in a great naval battle, and once more opened to themselves the trade with the Black Sea. The fruits of this victory were again lost, for the Turks took Constantinople, and deadened at once every form of industry and enterprise. The Venetians were still left supreme in the Mediterranean. Alexandria, the rendezvous of their Barbary fleet, received olive-oil, fruits both fresh and dried, and honey; cloths, velvet, and furs; copper, lead, vermilion, and quicksilver; giving in return the products of Africa and Asia. From Dalmatia, which under Doge Orseolo II. (997) became a possession of Venice, were obtained timber, wines, oil, flax, hemp, grain, and dried fruit; fat cattle, wool, and furs; lead and quicksilver; and finally, slaves. Orseolo II. gave a new impulse to navigation. He formed trade relations with distant parts, farmed out the customs, and obtained the abolition of inland duties in Germany.

Commerce is so identified with the history of this aristocratic republic, that an account of its government throws light upon its trade and advancement. There were, at the end of the fourteenth century, 1,000 nobles—a number which subsequently increased to 1,500—who grew so haughty that the saying went round on the birth of a son, "A lord is born into the world." At the head of the government was the Doge, and under him six lords or councillors (*signoria*). A senate, often chosen from the citizens, formed a permanent council, and under them three inquisitors completed the legislative and executive power. A powerful navy was formed for defence, for war, and for colonisation. Industry was encouraged, so that the city at

length prospered as much from manufactures as from commerce. A quarter of a million of people crowded its thoroughfares. The mud hovels built at first were transformed into marble palaces, and the few poor shrinking fishermen hiding for their lives became the wealthiest people in Europe ; celebrated for their treasures of art, the perfection of their manufactures, their foreign possessions, and the vastness of their commerce. Hotels arose for the accommodation of strangers, and the boundaries expanded to meet the wants of the growing population. Water-highways, skimmed by gay gondolas and lined with princely residences, intersected the city. The flags of every nation waved at the quays, and the merchants who met on the Rialto offered enormous rents for the smallest vacant counter. The first bank guaranteed by a state was an institution founded in this "City of Waters," in 1157. Pope Innocent IV. made use of it to pay 25,000 silver marks to a Frankfort burgher. Venice coined large amounts of money for its trade, and for that purpose received at its mint gold and silver bars from various countries.

In the fourteenth century Venice had 3,000 merchantmen manned by 25,000 sailors. A tenth part of these were ships exceeding 700 tons burden. There were besides 45 war-galleys manned by 11,000 hands ; and 10,000 workmen, as well as 36,000 seamen, were employed in the arsenals. The largest of the war-galleys was called the *Bucentaur* ; it was a state vessel of the most gorgeous description. Every year the Doge of Venice, seated upon a magnificent throne surmounted by a regal canopy, dropped from this vessel a ring into the Adriatic, to symbolise the fact that land and sea were united under the Venetian flag. This ceremony commemorated the victory gained over the fleet of the Emperor Frederick Barbarossa in 1177, when the Venetians obliged him to sue for peace. Ascension Day was selected for its celebration, and the *Bucentaur*, glorious with new scarlet and gold, its deck and seats inlaid with costly woods,

and rowed with long banks of burnished oars, for many years bore the Doge to plight his troth with the words, "We espouse thee, O Sea! in token of true and eternal sovereignty."

The merchant fleet of Venice was divided into companies sailing together according to their trade. Their routes, and the days for departure and return, their size, armament, crew, and amount of cargo, were all defined. In those times the seas were as much infested with pirates as the deserts with robbers; each squadron therefore hired a convoy of war-galleys for its protection on the voyage. There were six or seven such squadrons in regular employment. The argosies of Cyprus and Egypt, and the vessels engaged in the Barbary and Syrian commerce, concentrated their traffic chiefly at Alexandria and Cairo.

The so-called Armenian fleet proceeded to Constantinople and the Euxine, visiting Kaffa and the Gulf of Alexandria. A Catalonian fleet traded with Spain and Portugal, and another with France; while the most famous of all, the Flanders galleys, connected the seaports of France, England, and Holland with the great commercial city of Bruges.

The internal traffic with Germany and Italy was encouraged with equal care, oriental produce arriving from Constantinople and Egypt, and many other commodities being distributed, at first by way of Carinthia, and afterwards of the Tyrol. Germans, Hungarians, and Bohemians conducted this distribution. In Venice a bonded warehouse (*fondaco dei tedeschi*), or custom-house, was accorded to the Germans, where they were allowed to offer their wares for sale, though only to Venetian dealers. Similar privileges were granted to the Armenians, Moors, and Turks, but not to the Greeks, against whom a strong animosity prevailed.

From a state paper of the Doge Moncenigo, we learn some particulars of the inland trade with Italy. All the towns of Lombardy were active buyers of Eastern commo-

dities and Venetian manufactures, but Florence was the best customer. Ten million sequins (zechins) were thus annually brought into circulation. Addressing the Venetians, the Doge Moncenigo warily dissuades them from war, by describing the value of their trade. "Ye are the channel," he says, "through which all riches flow. Ye provide for the whole world. Everywhere men have a common concern in our welfare, and gold from every source flows hither. Through peace, our noble city has yearly 10,000,000 ducats employed as mercantile capital in different parts of the world; the annual profit of our traders amounts to 4,000,000 ducats. Our housing is valued at 7,000,000 ducats, its rental at 500,000; 3,000 merchant ships carry on our trade; 43 galleys, and 300 smaller vessels, manned by 10,000 sailors, secure our naval power; our mint has coined 1,000,000 ducats within the year. From the Milanese dominions alone we draw 1,000,000 ducats in coin, and the value of 900,000 more in clothes; our profit upon this traffic may be reckoned at 600,000 ducats. Proceeding as you have done, you will become masters of all the gold in Christendom; but war, and especially unjust war, will infallibly lead to ruin."

It was not until 1272 that the citizens generally were permitted to become merchants on their own account. Foreign trade till then had been the sole prerogative of the nobles. Now, however, permission was given for voyages to Marseilles, Montpellier, and Aigues-Mortes, for the disposal of Venetian goods. Venetian commerce was very soon greatly enlarged by the enterprise of the citizens. Wool was brought by the Flanders galleys, and made into black cloth for inland trade, and into scarlet textures for the Levant. This branch of industry was protected by the prohibition of French and Flemish cloth, when the superior cheapness of the last threatened to undersell the home produce. Manufactures of linen, cotton, and camels' hair employed many of the inhabitants. Silk-weavers, banished from

their native city of Lucca for political reasons, found refuge in Venice, and repaid their welcome by introducing an important branch of industry. Charlemagne usually wore a Venetian robe, and his courtiers were filled with wonder at the richness of the fabrics brought by the merchants of Venice to the mart of Pavia.

The ancient industries of preparing salt and curing fish were never disregarded. The Adriatic sands supplied material adapted for a glass of rare beauty and value, of which mirrors and other articles of Venetian manufacture were made. Venetian goldsmiths' work was universally famed. Brass and iron foundries prepared the raw material for the armourers, whose weapons, helmets, and bucklers were unsurpassed for strength and beauty. Ship-building, with a people whose principle it was always to have more ships than any other state, was necessarily a very important branch of industry.

Not satisfied with penetrating to every part already opened to enterprise, the Venetians travelled into regions before unknown, and gave to the world the record of their daring adventures. Maffeo and Nicolo Polo spent fifteen years visiting Egypt, Persia, India, the Khan of Tartary, and the Grand Khan or Emperor of China. Marco Polo, son of Nicolo, as well as Barthema and Joseph Barbaro, extended the knowledge obtained by their precursors in northern Europe and Asia.

It was by such energy of character, directed to commerce and adventure, that the Venetians gained their vast wealth. With the erroneous ideas of their age, however, they were jealous of the prosperity of the other commercial states of Italy, and were not happy till Genoa had been crippled. The same impolitic spirit led their rulers to fetter manufactures with restrictions intended to benefit the citizens at the expense of foreign states, but really injuring both, by preventing competition, and thus lessening the production of wealth. Duties were laid upon almost every article of

home and foreign trade, and state monopolies of salt and other substances were established. The revenues of Venice were raised almost exclusively by these impolitic modes. For awhile the facilities afforded by their splendid mercantile fleet, and by the accumulation of capital, enabled the Venetians to defy competition, but in the end they were scarcely able to hold their own, either in manufactures or commerce. The Flanders argosies were prohibited from returning with money in exchange, but were required to bring merchandise, such as amber and English wool, by which the Venetians thought to secure a double profit. It led, however, to the northern nations abandoning the trade with Venice, and dealing elsewhere. Forgetful of the sources of their wealth, the Venetians went so far as to forbid their nobles to trade.

Nevertheless, Venice might have outgrown a bad policy, had not a sudden and unexpected blow laid her commerce prostrate. In 1498 the Venetian ambassador at the court of Lisbon informed his government that Portuguese vessels had arrived in the Tagus, direct from India, after having colonised several places and established factories in that country. The full import of this intelligence was understood at St. Mark's. The golden period of their commerce had passed away. The first thought of the senate was to crush the Portuguese commerce. Finding it impossible to prevail upon the Egyptian sultan to assist them with a fleet in blockading the Indian coasts, they now sued for a treaty of commerce with Portugal, offering to become the sole purchasers of Indian commodities, but were refused. Venice declined, therefore, not through conquest, like the great commercial cities of antiquity, but from faults of industrial policy internally, and from the diversion of trade into new routes, which were the result of increased geographical knowledge.

GENOA.

GENOA, like most of the Italian cities which rose to commercial eminence in the Middle Ages, had existed as a Roman municipium, and is referred to at the time of the Second Punic War. The city, allied with Pisa, was the first to engage in attacking the Saracen corsairs which beset the Mediterranean. During the Crusades, Genoa vied with Venice, and the profits obtained at this period stimulated commerce and navigation. The republic became rich, and its sailors were so gallant as to be dreaded even by the Venetians. It was at this date that the Genoese made the conquest of Corsica and part of Sardinia, driving out the Saracens, whom they also deprived of Minorca and some Iberian provinces. The climax of Genoese prosperity was reached in 1261, when, for the assistance rendered to the Byzantine government, they were permitted to supplant the Venetians at Constantinople, and to monopolise the commerce of the Euxine. For some years their vessels were freighted with rich cargoes of oriental goods, as well as with the furs and gold of Russia. The Crimean trade was almost exclusively Genoese; as was also the trade with the southern coast of the Euxine, Trebizond and Amisus, or in the Turkish form of the word Sams'un.

Genoa increased its riches by its manufactures of velvet, broadcloth, hosiery, lace, perfumes, and artistic work in gold, silver, and marble. It was the entrepôt for Switzerland, and the outlet for the produce of the fertile districts of Lombardy and Piedmont. Goods were sent inland to Germany, through Nürnberg, and also to Milan, the common depot of Venetians and Genoese. In the height of its power it became covered with palaces, churches, and benevolent institutions, built of pure marble or of porphyry.

Genoese history is bound up with that of Pisa and of Venice. Jealous of the prosperity of other states, Genoa was always at feud. Between 1070 and 1282 four wars

with Pisa occurred, which resulted in the extinction of the power of the Pisanese. The conflict with Venice endured for a period of a hundred and thirty-one years. In 1351 the indecisive battle of Pera, a suburb of Constantinople, took place, when seventy-six Genoese galleys engaged unsuccessfully seventy-four belonging to the Venetians, Catalans, and Greeks. Encouraged by the sympathy of the Pope, whose legate in the East was always the Bishop of Genoa, as well as by their own vigour, the Genoese fought again, when out of seventy galleys only nineteen remained to dispute for the further possession of the title of Mistress of the Seas. Finally, in 1381, the Genoese were compelled to succumb to the maritime ascendancy of their Venetian rivals.

During the financial difficulties caused by these long and protracted struggles, the government was frequently obliged to borrow money from the wealthy citizens, to whom the revenues arising from customs duties were pledged in payment of the interest, and, if possible, in liquidation of the debt. These state creditors formed themselves into a company, with independent administration, known as the Bank of St. George, whose constitution, rights, and privileges all officers of the republic, previous to the assumption of their dignities, swore to maintain and respect. The capital or debt due by the state was divided into shares of 100 lire—which sum was called *luogo della repubblica*—and the management was entrusted to a committee of one hundred shareholders and a board of eight directors, chosen annually at a general meeting. When the power of Genoa in the East began to wane before that of Venice, the Bank of St. George undertook the defence of several of the colonial possessions for the general government. In 1456 the entire island of Corsica and the distant and important settlement of Kaffa on the Euxine were in the hands of this company. The latter fell under the rule of the Turks in 1474. With Corsica they were more successful; and, notwithstanding the irretrievable losses in the East, the Bank of St. George

would probably have succeeded, through its commercial activity, in restoring the fallen fortunes of the city, had not internal dissensions ruined the independence of the republic.

The sources of the wealth of Genoa, as of Venice, were numerous. Its most important trade was westward with Normandy and Flanders, and eastward with the Euxine; of which, as has just been stated, it had the monopoly. Genoa, in its zenith, possessed Marseilles, Kaffa, Azof, Corsica, and Elba. In 1339 a doge, or supreme magistrate, was elected. Rivalry for this office led, during two centuries, to frequent strife, and subjected the state more than once to the power of its neighbours. Andrea Doria freed his country from the yoke of France, and changed the form of government to that of biennial doges, with an advising council, a system retained during the rest of its mediæval history. In their contest with Venice, in the middle of the fourteenth century, the Genoese sought assistance from John Visconti, Duke of Milan. This was rendered, but at the cost of their civic freedom. The state never regained its independence. The Portuguese discovery of a new route to India was also seriously prejudicial to Genoa, although less so than to Venice.

PISA.

THE citizens of Pisa were the early pioneers of the Italian Lombard commerce, and were distinguished as traders from the age of the Othos. The city was the third in importance amongst the commercial states of Italy, and from the eleventh to the thirteenth century it was a small but prosperous republic. The foreign possessions of Pisa were at one time Sardinia, Corsica, and the Balearic Islands, all of which were taken from the Moors. These conquests, and the aid the Pisanese had rendered to the Crusaders, made their power respected, and their alliance sought both by the Genoese and the Venetians. We read of them as being at first leagued with

the former against the latter, and as being bought off by the offer of mercantile privileges denied by Venice to other states. Thus they were allowed to trade with the Venetian possessions, paying only a quarter of the customary dues, and at Constantinople they shared on equal terms the privileges which the Venetians enjoyed. When Genoa succeeded Venice in influence at Constantinople, in 1261, the Pisanese had their privileges continued, in order to secure their co-operation, and to sever them from Venice.

During this flourishing period there arose in Pisa those marvellous edifices which made the city the school of European architects—the Dome, the Baptistery, the Leaning Tower, and the Arcades of the Campo Santo or Cemetery. The Brotherhood of Humility, a company partly ecclesiastical and partly secular, established also at this time Eastern trading settlements which materially extended the Pisan commerce. The bitter feeling against the Saracens eventually toning down, the ports of Barbary, Spain, and Sicily were filled with Pisanese merchantmen.

Trimming between Genoa and Venice, Pisa made real friends of neither. For two hundred years a growing envy had smouldered in the Genoese mind, and at length it burst into a flame. Both states raised armaments comparatively so prodigious that they read like fabulous exaggerations. The success which had crowned their contests with the Moors did not attend the Pisanese when opposed to Genoa. On every occasion they were met by a superior fleet, and in the final battle of Meloria five thousand Pisanese fell, and eleven thousand were taken prisoners, most of whom perished in chains. “If you wish to find Pisa,” it was commonly said, “you must look for her in the dungeons of Genoa.” The port of Pisa was destroyed by the Genoese, and the mouth of the harbour was filled up. From this reverse the republic never recovered. It was vain any longer to contend for empire. Her colonies fell rapidly, and her commerce dwindled away. One of the Visconti family usurped the

dominion over the city, and subsequently sold it to Florence for 400,000 florins ; and with this state, after a century of intermittent struggles, it became permanently united.

FLORENCE.

FLORENCE, the capital of Tuscany, a part of the ancient Etruria, with but a scanty history till the end of the twelfth century, when Rudolf, first Austrian emperor, sold the citizens their freedom for £70,000, ultimately became one of the leading cities of Italy in luxury and wealth. Manufactures were the main source of its riches, and the foundation of the fortunes of its most eminent citizens, of whom the Medici attained regal power. The industry of the free republic was directed and controlled by guilds or arts, seven of which were styled the greater guilds, and five (afterwards increased to fourteen) the lesser guilds. The seven greater arts were lawyers, bankers, physicians, merchants, salesmen, and two guilds of manufacturers. The lower arts were smiths, shoemakers, carpenters, masons, butchers, and others. The Pisanese at first acted as maritime carriers for the Florentines, but, urged by jealousy, eventually cut themselves off from this profitable trade. The Florentines then turned their own attention to shipbuilding, buying Livorno (Leghorn) of the Genoese as a convenient site for the purpose, and in the end they acquired an important commerce both by land and sea. Among their chief manufactures were woollens, silks, and jewellery, of which the first was pre-eminent. They possessed agencies everywhere, and acted as European exchangers or bankers. Their mercantile fleet consisted of twenty-six vessels—eleven large and fifteen small galleys—the sailing and return of which, as well as the nature of the cargo, were subjected to statutory regulations, after the example of Venice. The importance which their foreign trade attained was exemplified on the occasion of Boniface VIII. receiving the courtesies of foreign

states on his elevation to the papal chair, when twelve envoys out of the number proved to be citizens of Florence.

The name of the Medici is associated with science and art, letters and poetry, architecture, sculpture, and painting, and with colossal wealth. As princes, they forgot their former thrift, and lost vast fortunes in commerce through the mismanagement of their agents. The expenditure of the family in thirty-seven years (1434—1471) in buildings and charities amounted, according to Sismondi, to 32,000,000 francs of our present money. A simple and correct taste distinguished the Florentines, and even when their virtue had degenerated, and their voluptuousness had become a proverb, they still possessed their fine appreciation of the beautiful.

Florentine dyers, especially of scarlet, were unequalled. French cloths were finished off at Florence. Scarlet stuffs alone employed 200 manufacturers, producing annually 80,000 pieces or rolls of cloth. Silk fabrics and tapestries, straw hats and artificial flowers, soaps, essences, and perfumes, lacquered ware, and artistic work in mosaic, metal, and alabaster, glass, musical, mathematical, and philosophical instruments, and carriages, were all products of Florentine genius and industry. In the chronicle of Benedetto Dei we meet with the following quaint contrast between Venice and Florence :—

“ Know that we in Florence have two guilds, which are more estimable and noble than any in your city of Venice ; we mean the woollen and cloth manufacturers. They are known at the court of Rome as well as at that of Naples, in Sicily, and at Constantinople, Pera, Scio, Bursa, Gallipoli, Saloniki, Adrianople ; and wherever the Florentines send their cloths, there they have banks, chambers of commerce, agencies, and consulates. In silk wares, gold and silver stuffs, we make and shall always make more than Genoa, Venice, and Lucca together. Ask your merchants who frequent Marseilles, Avignon, Lyons, Geneva, Bruges,

Antwerp, and London. They find everywhere respectable banks, splendid exchanges, estimable trade-societies, churches, and consulates belonging to the Florentines. Inquire at the banks of the Medici, Pozzi Capponi, Buondelmonti, Corsini, Falconieri, Pontinari, and as many other houses as would fill a hundred pages with their names. These houses do no trade in merceries, quinquillas, sewing-threads, fringes, rose-wreaths, or glass-ware, but in ducats, brocade, and cloth. When you Venetians want to buy spiceries, cottons, and wax from Alexandria, you must pay for them in hard cash. The Florentines give, on the contrary, their cloths and other stuffs in exchange for their commodities, which they, moreover, get still more conveniently from Bursa."

AMALFI.

THE republic of Amalfi, a small state in Naples, had the singular fortune of uniting the ancient Roman refinement with the new civilisation of the Middle Ages. It rose, reached the height of its power, and declined, between the sixth and the twelfth centuries. Its career as a free trading state was brilliant, till checked by the arms of Roger Guiscard, King of Sicily; from which period its splendour was lost. Its citizens were renowned as sailors, and took an active share in the Crusades. The port extended its trade to Egypt, Syria, and Constantinople, and was a great mart of Eastern merchandise, frequented by Moors, Hindoos, Arabs, and Sicilians. French cloths formed a large item in its trade. Amalfi, scarcely referred to as a commercial port after its capture, has its name often repeated in connection with interesting historical incidents. Its citizens founded in Palestine the Hospital of St. John of Jerusalem, from which the military order took its name. Flavio Gioja, a citizen, introduced or improved the mariner's compass. Justinian's Pandects, after having been lost for

ages, are said to have been brought to light at the siege of Amalfi in 1137. Hallam, however, states that both discoveries are erroneously attributed to this city.

ANCONA.

ANCONA, in the Papal States, was founded by the Syracusans about four centuries before Christ, and has ever been, next to Venice, the most considerable port on the Adriatic coast of Italy. Its early Eastern trade, chiefly with Cyprus, was supervised by a consul residing at St. Jean d'Acre. From the countries of the Levant it obtained raw cotton, spices, sugar, and alum, giving in return Florentine and French cloths, soap, and wine. At a later date, the area over which its commerce extended comprised Northern Europe, and the number of its imports and exports was greatly increased. Home produce, grain, hemp, pulse, linseed, fruits, wine, and oil; cattle, sheep, hogs, and cheese; manufactured goods of silk and leather; cordage, sail-cloth, wax, candles, sulphur, and verdigris, were articles of export. The imports comprehended manufactures, timber, dye-stuffs, drugs, salt fish, wool and wax, hardware and metals, some of which reached Ancona only in course of transit.

OTHER ITALIAN STATES.

THE republics of Italy were so numerous in the Middle Ages, and their struggles and vicissitudes of fortune so frequent, that even to enumerate a few facts concerning each would be too long a task.

Bologna, Ferrara, Modena, Lucca, Milan, Mantua, Brixen (in the Tyrol rather than Italy), Como, and Verona must be passed by with the briefest reference. These and other Italian cities prescribed customs duties for themselves, and carried on trade. Many new manufactures were likewise established, the knowledge of these having been gained at Constantinople.

In the year 1131 Roger Guiscard was crowned King of the Two Sicilies, at Palermo. He brought artisans from Athens, and founded a silk manufactory in this city in 1146. The sugar-cane was brought from China and planted in Sicily in the same century. The introduction of many plants and animals of economic importance, from their native habitats, about this period, widened the range of industry and trade. Under the name of Lombards, Italian capitalists were found in every European city, competing with the Jews as bankers and money-changers. A bankers' district of the city of London received the name of Lombard Street. All important as banking has been to society, its practice at first was held in as low esteem as pawnbroking. Bankers were in ill repute for the usury they exacted, arising from mutual ignorance of the principles that should govern the borrowing and lending of money. To charge interest on a loan was in feudal times thought wrong. Judging from the failures of the chief bankers of Florence, in consequence of the non-payment of enormous sums lent to our Edward III., it would appear that there were, earlier than Pistol, debtors who thought that "base is the soul that pays." In a similar spirit, St. Louis of France published an ordinance relative to the Jews, the predecessors of the Lombards in his dominions, whereby, "for the salvation of his own soul, and those of his ancestors, he releases to all Christians a third part of what was owing by them to the Jews." Louis at the same time claimed a percentage upon the savings thus effected.

CHAPTER IV.

PORTUGAL.

THE fortunes of Portugal have been varied. It fell a prey to the Carthaginians under Hamilcar, and afterwards to the Romans, although with the last the struggle was maintained for two hundred years, and the Lusitanians did not wholly submit till the time of Augustus. Their chief leaders in the struggle with Rome were Viriathus, a Lusitanian shepherd, and Sertorius, a Roman leader, who fled from Rome after the triumph of the Syllan faction. Portugal suffered with Spain from the devastations of the Visigoths, who, for two hundred years, were masters of the country, till overwhelmed in turn by the Arabs, A.D. 713. After a century of occupation, the Moors were expelled from the northern provinces, and by degrees from the south. Ferdinand of Castile, in 1095, nearly cleared the country of them, and Henry of Burgundy, upon whom had been conferred the title of Count of Portugal by his father-in-law, Alphonso VI., King of Castile, was permitted to conquer for his own advantage any remaining Moorish possession. The son of Henry, Alphonso Henriquez, proved a formidable enemy to the Mohammedans, and after gaining a great victory over them at Ourique, he was proclaimed king by his soldiers in 1139. He took Lisbon in 1147, and before the year of his death in 1185, he ruled over almost every part of the kingdom.

Commerce existed between Portugal and England in 1270, and the fishing grounds of each were used in common. Alphonso the Restorer, the reigning monarch, and Dionis, his son, encouraged husbandry and manufactures,

and turned the splendid position of Portugal for foreign trade to such good account as to awaken a spirit which brought about the enterprises of the next century.

The early maritime enterprise of the Portuguese is associated with the genius, energy, and munificence of Prince Henry the Navigator. So enthusiastic was he for discovery, that in 1406 he took up his abode on the promontory of Sagres, near Cape St. Vincent, at the southern extremity of Portugal, in order that he might get the first and last glimpse of the sails spread on his varied missions. From 1412 he sent out one ship annually to explore the African coast, but his first success was the discovery of Puerto Santo, one of the Madeiras, in 1418, in consequence of a ship having been driven out to sea in bad weather. The Madeiras and Canaries were annexed in 1420 to the Portuguese crown. Madeira, *i.e.*, timber isle, was an island of forests, which, having once caught fire, burned, it is affirmed, for seven years. The productiveness of the island has been ascribed to the fertilising effect of the wood ashes then spread over the soil. Colonies were planted in these islands, and the sugar-cane and Cyprus vine were introduced, the fruit of the last being destined to produce the renowned Madeira or Canary wine. It was not till 1433 that Gil Eannes, one of Don Henry's captains, doubled Cape Bojador. N. Tristan, eight years later, advanced as far as Cape Blanco, three degrees south of the tropic of Cancer. In order to secure his triumphs, Prince Henry procured a bull from Pope Eugenius IV., which guaranteed to the Portuguese all their discoveries between Cape Nun, in Morocco, and India. None of his commanders approached within six or eight degrees of the equator. Commercially their discoveries extended the fisheries, and brought them gold, ivory, and cotton, from the interior of Africa; but, in the restless desire to find a path to India, this trade was almost disregarded. The first negroes were brought to Lisbon by Nuno Tristan in 1442, from the Isle of Arguin,

near Cape Blanco. Cape Verde, and the Cape Verde Islands (so named on account of the abundance of green gulf-weed surrounding them), as well as the Azores, were discovered about 1448-9; and this was the limit of Portuguese exploration during Prince Henry's lifetime. This patriotic and enlightened prince died in 1463. By the year 1472, St. Thomas, Annobon, and Prince's Islands were added to the Portuguese discoveries, and occupied by colonists; and at length the equator was crossed. Fernando Po having given his name to an island in the Bight of Biafra, acquired possession of five hundred leagues of equatorial coast, whence the King of Portugal took the title of Lord of Guinea. The subsequent divisions of this territory into the Grain Coast, named from the cochineal thence obtained, and long thought to be the seed of a plant, Gold Coast, Ivory Coast, and Slave Coast, indicate by their names the nature of the products of those lands, and the kind of traffic. Under King John II., after an inactive period of eight or ten years, Diego Cam (1484) pushed forward fearlessly to latitude 22° south, erecting at intervals on the shore, pillars of stone, which asserted the rights of his sovereign to the newly-found land. For the first time, perhaps, in history, men had now sailed under a new firmament. They lost sight of a part of the old celestial constellations, and were awe-struck with the splendours of the Southern Cross, and hosts of new stars. Each successive commander aimed at outdoing the deeds of his predecessor. Imaginary perils, which had frightened former sailors, spurred the Portuguese to greater daring. Bartholomew Diaz, in 1486, was sent in command of an expedition of three ships, with directions to sail till he reached the southernmost headland of Africa. Creeping on from cape to cape, he passed the furthest point touched by Diego Cam, and reached about 29° south latitude. Here driven out of his course by rough weather, he was dismayed on again making land to find the coast trending northward. He had doubled the Cape without knowing it, and only

found it out on returning, disheartened by the results of his voyage. Raising the banner of St. Philip on the shore of Table Bay, Diaz named the headland the Cape of Tempests, which the king, with the passage to India in mind, changed to that of the Cape of Good Hope. By a curious coincidence, in the same year Covillan, while on an embassy to the towns of Calicut and Goa in Hindostan, learnt the fact that the Cape of Good Hope, the Lion of the Sea, or the Head of Africa, could be reached across the Indian Ocean. Ten years elapsed, when, prompted by the Spanish discoveries of a New World in the West, Vasco de Gama, a Portuguese gentleman of ancient family, set sail from Lisbon (July 8, 1497) on the express mission of reaching the Indies by the Cape of Good Hope. Success crowned the enterprise, and the problem of a new route was solved. Portugal had achieved the honour of lifting the mist that had hidden, from the days of Pharaoh Necho and the Phœnicians, the traditionary ocean path to India by the circumnavigation of Africa. On the 20th May, 1498, Gama reached Calicut, having on the way touched at Sofala, opposite Madagascar, and visited Mozambique and Melinda, from which last place pilots easily steered him across the Indian Ocean. De Gama found here a commercial prosperity based upon husbandry, handicrafts, and interchange, and had little trouble in entering into a treaty of trade with the Zamorin, or ruler of Malabar. His sudden appearance was by no means pleasing to the Arabs, who had acted for a long period as commercial intermediaries between India and the Western nations. They gained the ear of the Zamorin, and persuaded him that the Portuguese were pirates, and as Vasco de Gama had not gifts sufficiently rich to counteract their influence, it tasked his diplomatic skill to effect the departure of himself and his companions from Calicut in safety. Recrossing the Indian Ocean, he returned to Portugal in the year 1499. In the following year an expedition of thirteen ships, under Alvarez Cabral, accompanied by Bartholomew

Diaz (who was lost in a storm during the voyage), met with greater success. Cabral, driven out of his course, discovered Brazil, and, after despatching a ship with the tidings to Portugal, he continued his voyage to the Indies with six vessels. Arriving at Calicut, he met with a less hostile reception than Gama had experienced, for the Zamorin, in a friendly mood, gave him leave to establish a factory, and upon it to raise the Portuguese flag.*

* Ancient and mediæval commerce was restricted within the narrow limits of the Mediterranean Sea. The Phœnicians and Carthaginians indeed sailed as far as the Tin-islands (England); but they never left the coast. That the Phœnicians obtained amber from Prussia by the Baltic is highly improbable—it was more probably brought from Prussia by the overland route to Trieste. Hanno, son of Himilco, a Carthaginian mariner, according to Herodotus, circumnavigated Africa. This had already been done by the Phœnicians, B.C. 610, incited by Pharaoh Necho. The Arabs, as also the Chinese before them, sailed by the magnetic needle, of which they named the poles—the one the cold, the other the warm pole (Zoron and Ason). For many centuries the knowledge of navigation by the mariner's compass was lost to Europe. In the year 1302 it was again brought to light by Flavio Gioja, or Gioia, an Italian, who claims to have invented the suspension of the needle upon a point, and once more navigators ventured boldly out to sea. Africa, as far south as the 28° N. lat., and the western and central portions of Asia were known, but not the extent to which that continent stretched to the east. The only authentic information about the east of Asia was that obtained from the two monks, Carpin and William of Ruysbroeck, consecrated in the reign of Louis IX., 1259, who were sent there to spread Christianity, and who travelled overland through Tartary; and the information spread by the Venetian Marco Polo. He first sailed, 1293, over the Indian Ocean with a fleet of fourteen ships back to the Arabian Gulf. He first renewed the idea of the circumnavigation of Africa. Theodosius Doria and Ugolino Rivaldus, with some other citizens of Genoa, travelled in two galleys around Southern Africa, and one of the galleys afterwards arrived at Abyssinia. The crew were made prisoners in that place. The annalist and navigator, Antonio Usidomaze, who in 1455 undertook a journey to Guinea, reports it as a fact that he had seen one individual who was a descendant of the Abyssinian prisoners. Also, about 1340, adventurers from Castile, in Spain, had discovered the Canary Islands.

CHAPTER V.

SPAIN.

I.—BARCELONA.

SPAIN, from its admirable geographical position and profusion of resources, appeared appointed to lead the world in wealth and civilisation. Spain, however, "saw that rest was good, and the land that it was pleasant, and bowed the shoulders to bear, and became a servant unto tribute." The fate of Issachar had ever befallen the beautiful country—that of crouching between two burdens; one of indolence, self-imposed, the other, foreign, the yoke, successively, of the Phœnicians, Carthaginians, Romans, Visigoths, Arabs, and Moors. From the dawn of history it was the prototype of *El Dorado*, which the Spaniards so eagerly sought, while ravaging Mexico and Peru. During the Dark Ages industry and commerce enriched the Spanish Arabs and Moors, and Barcelona, a city in which was concentrated the whole trade that stood in the place of a national commerce, was alternately in the hands of the Moors and the Christians. The few mercantile adventures of this period were forced by surrounding examples rather than spontaneous.

In 1341 a small fleet of three merchant-ships, manned by Genoese, Florentines, Portuguese, and Spaniards, was despatched for purposes of trade, and in 1344 Louis of France was created by the Pope Prince of the Fortunate Isles, the ancient name for the Canaries. Louis, being without patrimony, resolved to take possession of the gift, and to found there a permanent colony, towards which design the Dauphin Humbert contributed a dozen ships and half-a-dozen galleys.

Spanish enterprise ended at Cape Bojador (Round Cape), 2° north of the tropic of Cancer, which was reached in the year 1350.

The last twenty years closing the fifteenth century were distinguished by the enterprises and discoveries of the Portuguese, events which stirred Spain into activity, and caused her name to become identified with maritime discoveries even more astounding. The year 1492 was distinguished by the discovery of America, and by the final conquest of Granada.

Before narrating the course of events with which the name of Columbus will be for ever identified, minuter details of Catalonian trade claim precedence in order of time. Barcelona, the chief town of the province of Catalonia, lays claim to a genealogy extending further back than the foundation of Rome. It was in turn a Carthaginian and a Roman colony. In 1164 the whole province became absorbed in the kingdom of Aragon. As a commercial state, the history of Barcelona dates from the middle of the thirteenth century. At this period, Hallam says, the Catalans began to emulate the maritime cities of Italy, both in war and commerce. Their vessels sailed to every part of the Mediterranean and other European seas. Barcelona was a formidable rival to Genoa, with which city it was engaged in frequent hostilities. Its rank was highest in the fifteenth century, when Venice alone exceeded it in maritime power. It was the depot of Eastern wealth for distribution in Christian Spain. The privileges granted to the Catalans by the kings of Aragon were such as to secure to them almost the independence of a sovereign state. Personal liberty was so guarded that no one could be arrested on board ship for an offence, provided he offered security for his surrender to justice after the voyage. The Catalans became so experienced in ship-building, that other nations resorted to their dockyards for the purchase of merchant-vessels. They excelled the Genoese mariners in intrepidity,

while as manufacturers they were especially expert and industrious. The nobles were as eager for the profits of commerce as the common people, and thus all ranks were united for the common benefit.

During the disturbances which followed the taking of Constantinople by the Venetians, and when a great encroachment of the Western nations introduced Italians, and Spaniards, and Frenchmen into the provinces and islands of the Eastern empire, the Catalans were for a time the great holders of territory on the continent of Greece, the Venetians holding the islands.

Barcelona possessed, besides its ship-yards and wharves, a custom-house, a fine arsenal, foreign warehouses, manufactories, banks, and exchanges, where Jews and Lombards, French, Italian, and German traders, attracted by the enlightened spirit of its laws, carried on their business. Among others we read, in 1400, of fifteen Dutch and thirteen Savoyard houses of business. It would have been useless for these enterprising citizens to compete in manufacturing industry with the skilled Moors of Seville, Toledo, Malaga, Granada, and Almeria. Numerous guilds of artificers existed notwithstanding, and these proved invaluable after the expulsion of the Moors, making Barcelona the most important manufacturing town in Spain. The manufactures consisted chiefly of woollen, cotton, and silk goods, lace, linen, paper, leather, and cordage.

Much of Catalonia was rocky and barren, but part was very fertile, producing cereals, flax, hemp, liquorice, madder, saffron, almonds, filberts, chestnuts, figs, citrons, grapes, olive-oil, and silk; of mineral produce, copper, lead, zinc, manganese, cobalt, with coal, nitre, rock-salt, barilla, and marble occurred. A good deal of wine was made, and there existed forests of the cork-oak, as well as of timber fit for ship-building. Upon these foundations the Catalans built up a transport trade greater even than their proper commerce. They held intercourse with the Spanish ports

of Valencia and Lerida. They possessed a Catalan quarter in the French markets of Beaucaire and Troyes, carrying thither especially Moorish or Morocco leather. They took cloth, saffron, and Eastern goods to Sicily, bringing away grain and silk. Their commerce with Barbary, Egypt, and Syria provided them with herbs, spices, drugs, raw and spun cotton, ivory, indigo of two varieties, carmine, gums, balsam, rhubarb, aloe wood, coral, pearls, and porcelain brought by the Arabs from China; and these commodities they again dispersed abroad. Flanders, the principal centre of their trade with North Europe, received from them logwood, saffron, cotton-thread, dates, sugar, anise, lac, and furs. Their ships were shut out from Constantinople and the Black Sea by the opposition of the Italians, but with Cyprus, Rhodes, and Candia they had an extensive trade.

We owe to Barcelona the establishment of the first bank of deposit for the convenience of private merchants (1401), and also the earliest well-authenticated regulations for marine insurance. The credit of having produced the first work on maritime law in a modern language, "*Il Consolato del Mare*," is claimed by Barcelona, and the claim is at least allowed by Hallam.

II.—COLUMBUS AND THE DISCOVERY OF AMERICA.

CHRISTOPHER COLON or Columbus will ever have the honour of the discovery of America, although deprived of the right of imprinting his name upon the "other world" which he gave to Castile and Aragon.

Previous communication had doubtlessly existed between the old and new continents through the wide-stretching lowlands that surround the North Pole. The reindeer and other representatives of the fauna are common to both hemispheres, and the Esquimaux of

Mongolian or Turanian origin wander round the whole circuit of Arctic latitudes. Summarizing the views of Malte-Brun, Humboldt, and other writers, De Tocqueville says, "Some points of resemblance have been discovered between the physical conformation, the language, and the customs of the North American Indians, and of the Tun-gouses, the Manchoos, the Mongols, the Tartars, and other nomadic tribes of Asia. The proximity of these tribes to Behring's Straits lends probability to the hypothesis that at a remote period they peopled the uninhabited continent of America. But science has yet arrived at no certain conclusion on this point."* Greenland, as well as Iceland (the latter by geographical position more properly American than European), had been settled by Scandinavian colonists, who had also visited the mainland. As a continent, however, stretching across a whole hemisphere, America was unknown. Columbus believing in the rotundity of the earth, and in the indefinite extension of the Indies to the east (a notion derived from Marco Polo), aimed only at reaching the extreme Indies by sailing to the west, a feat which he might have done but for the intervention of the New World. Impressed with this thought, Columbus stored up every shred of information indicative of the existence of western lands till the proofs seemed to him conclusive. Far out at sea a mariner had picked up a piece of peculiarly carved wood, different from anything then known. On the island of Flores two dead bodies had been drifted ashore, of a race unlike any in the Old World. It is also stated that Columbus had been to Iceland, where he met with many circumstances which strengthened his convictions. His great glory is that he observed, compared, and drew inferences, from phenomena patent to all, but to which he alone attached their due weight, and that he afterwards established the truth of his inferences. Columbus,

* "De la Démocratie en Amérique," vol. i. c. i. p. 34.

born probably in 1435 or 1436, was the son of a wool-comber of Cagoletto or Albizola, in the state of Genoa. As a Genoese, he had an inborn love of the sea, and became a sailor at the early age of fourteen. Through the care of his father, he was even then a good draughtsman and a fair scholar, having studied in Pavia astronomy, geography, and navigation, together with geometry and Latin. His range of mental culture enabled him to profit by his practical experience of seamanship. He became a dauntless mariner and a skilful constructor of charts. The circumstances of his early life tended to kindle the fervour of his genius for discovery. About the year 1470 he married the daughter of an old Portuguese navigator, by name Bartholomew Perestrello, who had visited the west coast of Africa, and who possessed a large collection of maps and charts. Columbus commenced the drawing of charts as a means of gaining a livelihood, and every one he drew inspired him with a more ardent faith. He determined to test his cherished idea of the existence of land in the West. How he offered immortal fame to his countrymen, the Genoese, and to the Venetians, and was treated by both with contumely, is a matter of history. Yet we cannot but think with regret of the different fate which would have awaited America and its feeble red people if a more humane, experienced, and enlightened nation had responded to his appeal. The King of Portugal basely betrayed Columbus while pretending to listen to his views, and sent out another seaman, who, without the genius or prepossessions of Columbus, soon returned to report against the scheme. Columbus now turned to Ferdinand and Isabella of Spain, while his brother visited England to solicit ships and money from Henry VII. One state after another threw away the noble chance of distinction. Even Spain, though urged by national honour and jealousy to emulate the maritime enterprise of Portugal, hesitated long before she granted the suit of Columbus, for not till he

was leaving the country in despair did the queen, under the stimulus of Portuguese discovery and his own pertinacity, concede him three small caravels or boats used in the herring fishery (only one of them completely decked), a mutinous crew of ninety men, and a few thousand ducats for the charges of the voyage. Columbus set sail from the small seaport of Palos in Andalusia, on the 3rd of August, 1492. His heroic perseverance was manifested more strikingly than ever in the management of his frightened and rebellious sailors, who bowed before him at one time as though he was inspired, and at another offered him the choice of death or return. San Salvador, one of the Bahamas, and probably the present Watling Island of the charts, was the first land sighted. Columbus went on shore on the 12th of October, 1492, having left the Canaries just thirty-five days before. While cruising about, he fell in with Cuba and St. Domingo, and then returned to Europe, bringing with him some of the natives, together with gold and curiosities. No honours were now deemed too great for him. His reception was grander than any military triumph. He was soon provided with a fitting armament for the prosecution of his researches. Instead of the dregs of the galleys, his ships were crowded with volunteers from among the bravest seamen. His second voyage lasted from 1493 to 1496. In this he discovered Dominica, Marie Galante, Guadaloupe, Porto Rico, and Jamaica. It was not until his third voyage (1498—1500) that he discovered the island of Trinidad, and descried the mainland of South America, near the mouth of the Orinoco. In his fourth and last voyage he surveyed the shores of the Gulf of Mexico and the Mosquito coast, ultimately reaching the shores of Jamaica, with his ships reduced to mere wrecks. Columbus saw in these islands of the western ocean a confirmation of his opinion that he could reach the East Indies by sailing to the west. He returned to Europe to learn of Vasco de Gama's passage round the Cape, and

became convinced that he had but to seek a strait or channel through which he could sail to the Moluccas. He perpetuated the memory of his delusion in the name of the West Indies, which he gave to this archipelago; and, ill-treated by the country upon which he had shed such honour, he did not live long enough to rectify his error.*

* The suppositions and grounds on which Columbus founded his plan for finding a passage by sea to the East Indies, by sailing in a westerly direction, were as follows:—

1. That various writers, both ancient and modern, had expressed their belief that our earth was a sphere, and the possibility of its circumnavigation. Columbus believed the circumference of the earth to be less than it really is, basing his estimate on the calculations of the Arabian astronomers, Alfraganus and Mohammed Ibn Cottair al Fergani, in the tenth century. Aristotle (*de Cælo* II. 14), and Pliny (*Nat. His.*, lib. vi. cap. 17), regarded the expansion of Asia to the east as equal to about a third part of the earth's circumference. Strabo (lib. xv. page 1015) gives the interval between the west of Europe and the east of Asia as 130,000 stadii, or 3,250 geographical miles, which is far greater than it really is, the distance being only 2,600 geographical miles, according to Hoffman. Roger Bacon supported the view of Strabo and Aristotle in his "*Opus Majus*." Columbus wrote a treatise on these opinions, and also on the course to be taken in order to test their truth, which was sanctioned by the great Florentine astronomer (Paulus Physicus); and after Marco Polo and Ruysbroeck had described the countries (China and Japan) Columbus was prepared to venture all, even life itself, on the accuracy of this spherical or globular theory.

2. These opinions were corroborated by the finding of reeds, cut poles and beams, as also the bodies of men of a race wholly unknown, which had been stranded on the coast of the Canary Islands. Humboldt proves that it was not the discovery of the fabulous island of Atlantis, mentioned by Plato, not the finding of the islands of the Antilles and the seven cities, which kindled that inextinguishable ardour of Columbus, but the discovery of a western sea-path to the East Indies shorter than that by the Cape of Good Hope.

These settled convictions were opposed to the superstitious theology and the belief of the learned men of his day, who regarded the hot zone as uninhabited, and inaccessible to ships.

CHAPTER VI.

FRANCE.

THE history of commerce and industry in France during the Middle Ages resolves itself, as in Italy, into the history of separate towns, rather than that of a united kingdom. These towns were situated in the maritime provinces bordering respectively on the Mediterranean Sea, the Bay of Biscay, and the English Channel. The Mediterranean division contained three commercial towns, Marseilles, Aigues-Mortes, and Montpellier, with others engaged in woollen manufactures in the province of Languedoc.

Marseilles has always been the chief commercial city and seaport of France. Originally a Greek colony under the name of Massilia, it was long a flourishing rival of Carthage ; and during even the depth of the Dark Ages, it maintained its commercial character. Its convenience as a port of departure for the Holy Land caused many of the Crusaders to choose it for embarkation. The municipal authorities encouraged this passenger traffic by rigid laws of inspection, to ensure the comfort and proper treatment of the voyagers. Such restrictions applied to an exceptional trade were of great service, but failed of their purpose when the authorities attempted to legislate in a similar way for the permanent commerce of the town. With the hope of fostering the growth of native industries, they made it illegal to import foreign commodities, but thereby they diminished both their foreign trade and their home manufactures. The making of coarse woollens could alone be said to flourish. The wool was obtained from the Barbary

states, and it employed the looms of all Provence as well as of the city of Marseilles. The cloths were dyed of bright colours with logwood, madder, and carmine, and for their strength and durability found favour in Italy and Greece. The cultivation of the mulberry and the manufacture of silk were introduced with success, but attempts to raise the sugar-cane failed. Marseilles grew in prosperity with each succeeding age, until its commerce and manufactures became very great.

Aigues-Mortes was once a considerable harbour. Louis IX. sailed from this port on his crusade. It is situated amongst the salt marshes of the Rhone, and is now four miles inland. On account of the stagnant or dead waters by which it is surrounded, and whence comes the name (*aquæ mortuæ*), its climate is unhealthy. The marshes are, however, turned into a source of wealth by the manufacture of salt and potash. A more salubrious adjacent town with the name of Aigues-Vives became afterwards noted for the distillation of brandy (*cau de vie*). The commerce of Aigues-Mortes was chiefly that which it derived as a depot for spices and other Eastern goods, to be interchanged with the woollen and linen textures of the northern provinces of France. The port being undesirable as a residence, the factors and bankers transacted their business at Avignon, higher up the Rhone, where the warehouses of the Italian and other foreign merchants were also to be found.

The towns of the province of Languedoc were famous for their silk and woollen manufactures, especially of those dyed scarlet, rose, and azure blue. Montpellier, Narbonne, Nismes, Beziers, Carcassonne, Perpignan, and Toulouse, were the chief industrial towns. Fairs were held at Beaucaire and Montpellier, at which places the Florentines bought English wool, and the Venetians obtained French cloths for their commerce in the Levant.

Still more important was the cloth trade of the provinces adjoining Flanders. Troyes, the capital of Champagne, was

a manufacturing town in the fifth century, and a fair was established there at least as early as 1118. Known as the Remigius Market, this fair for three hundred years grew in importance, and attracted German, Dutch, Flemish, Lombard, Florentine, and Venetian merchants. Troyes was the entrepôt of the manufactures of Champagne and also of the neighbouring provinces of Picardy, the Isle of France, and Normandy. The products of industry to be found there were of a varied character, though none of them in value approached the textile fabrics.

The following list of towns includes the seats of the cloth industry in each province :—

Champagne.—Troyes, Châlons, Rheims, Provins, Sens, Vitry, St. Dizier.

Isle of France.—Pontoise, St. Denis, Paris, Lagni, Senlis.

Normandy.—Rouen, Louviers, Bernai.

Picardy.—St. Quentin, Aubenton, Amiens, Abbeville.

Troyes obtained cloth from the South Netherlands as largely as from the French provinces. The following then Flemish towns were thus in commercial intercourse with Troyes :—Cambray, Valenciennes, Maubeuge, Avesnes, in Hainault ; Arras, Douai, Lille, Tournay, Dixmude, Ghent, Bruges, Ypres, in Artois and Flanders ; Malines, Brussels, Louvain, Diest, and Huy, in Brabant and Liége.

Amongst the miscellaneous commodities reaching the markets of Troyes were leathern goods from the south of France, and horses from Lombardy and Germany. Eastern produce, such as spices, formed a large part of the merchandise of the Venetian traders ; for the French merchants charged themselves with little business beyond what was brought to their shores. Merchandise converging upon Troyes from so many places made the town rich and influential. The Troyes or Troy weight became a standard, recognised and generally adopted. Two causes combined at length to diminish its trade : first, merchants were deterred by the unwise imposition of heavy dues from bringing

their goods ; and next, in 1298, when the overland route for Oriental commerce, by way of Syria and Constantinople, was closed to the Venetians, and they re-opened the old route through Egypt, goods were conveyed by sea direct to England and the Netherlands. Bruges was the first of the Flemish cities thus favoured by intercourse with the East ; Antwerp followed in 1318. Troyes clung to its privileges and prohibitions till it fell into utter decay ; while other towns, till then insignificant, began to share its failing trade and profits. Charles VII. in 1445 conferred upon Lyons, a city much more conveniently situated for the trade of southern France, the privilege of holding three markets. Of the northern sea-ports, Harfleur, at the mouth of the Seine, was at this time the seat of a trade with the Portuguese and Castilians.

Although the harbours of the western coast of France are admirably suited for commerce, their sea-trade did not attain any magnitude till long after Marseilles had risen to be an active and important port. The two principal ports were Bordeaux and La Rochelle. Till the year 1312, when they were deprived of the immunities which they had previously enjoyed, the Templars conducted much of the trade of Rochelle. Its exports consisted largely of wine. The Flemings alone bought at this town 40,000 casks annually. One consignment, the vessels conveying which were captured by the English, consisted of 9,000 casks.

Bordeaux is an ancient city, having under the name of Burdigala been rebuilt by the Romans, A.D. 260, after its destruction by fire. It is well placed for foreign commerce, and it sent wine to England in 1302. Its traffic with the interior became developed from the facilities afforded it by the Garonne, the Dordogne, and their tributaries. The articles of commerce sent from Bordeaux increased in number until the city came to rank next to Marseilles. The foreign trade of France at this period was conducted almost wholly by the Dutch, or by foreign ships trading with the

French ports. Holland took to France cloths and fish, and the raw produce of Russia, Sweden, and Germany. An intermittent wine trade with England was carried on, though often disturbed by war. France received from England woollen fabrics, wool, lead, and fish. France owes much of its modern prosperity to the stimulus given to her industries by Italy, which had ever been the richest and most beautiful country of Europe, and the entrepôt of the commerce of the East and the West. Charles VIII., when in Italy, sent to France not only works of art, but artists and artisans, many of whom became French citizens, and by their teaching improved the taste and extended the range of French industry. The French were well aware of their inferiority to the Italians, and even prided themselves upon being the disciples of those whom they went to enslave. Amongst those who settled in the country were goldsmiths, tailors, carpenters, carvers, weavers, embroiderers, musicians, architects, painters, and philosophers. Under the idea that the profits of the trade would be confined entirely to citizens of France, and that navigation would be promoted, the government altered its policy and ordered foreign goods to be imported in French vessels only. Commerce in consequence was diverted to freer harbours, competition and emulation no longer incited to excellence, and contraband trade was encouraged.

CHAPTER VII.

ENGLAND, SCOTLAND, IRELAND.

England.—There was nothing in the intercourse between the ancient nations and our own country that foreshadowed the supremacy we were destined to attain in the arts of industry and the pursuits of commerce. The geographical isolation of Britain had its counterpart in our social and commercial life. Our richest natural endowments, coal and iron, were, in the first period of British history, almost unknown. England was covered with dense forests; herds of wild cattle and other beasts roamed through the country; agriculture was practised only in the rudest way, and the natives lived chiefly upon fruits and the products of hunting. Little of the land was arable, and the forests were valued, not for their timber, but for their pannage in the form of the mast of oak and beech, which furnished sustenance to herds of swine. Tin lying near the surface of the soil, and lead in considerable quantities, were exchanged with the Phœnicians for trinkets; and a few simple commodities were transmitted overland to Marseilles, for use in the Levantine states and Greece. Roman occupation increased the mineral produce, but cattle-rearing and swine-herding long employed most of the inhabitants. Hides, wool, and furs are named among the exports, and British pearls appear to have been esteemed. In the Saxon period a commercial treaty was made between the king of the Mercians and Charlemagne, and about the same time notice is taken of an Anglo-Saxon trader in Marseilles. Other Anglo-Saxon merchants visited the market of St. Denis, in the reign of Dagobert, while

in the eighth century Frisians visited England. Fairs existed among the natives, but trade was restricted by the law which forbade transactions above the value of twenty pence, except in the sight of two witnesses or of the magistrate.

While the Mediterranean was crowded with an active commerce, England was merely productive and passive, waiting at home for traders, who visited it for tin, lead, wool, and hides. English wool was so esteemed that Charlemagne exempted merchants dealing in it from the peril of capture in war. Wool, also, was the staple of exchange for the cloths of the Netherlands from the days of Alfred the Great.

William the Conqueror sheltered a band of weavers driven from Zealand by an irruption of the sea, and the country profited by the intercourse they established with Holland. English wool soon improved so much that next to money it was the commodity most eagerly sought in foreign exchange. Part of the ransom of Richard I. was paid in wool. Eventually corn and cheese began to be regular articles of export. The herring shoals found off Yarmouth gave the first impulse to our principal fishery. The herring trade was confirmed to that town by a charter of King John. London was the earliest in time and the first in importance of the English trading cities. Tacitus mentions London as a celebrated resort of merchants. Bede relates that it was frequented by foreigners in 614 for the purposes of trade, and William of Malmesbury speaks of it as a wealthy and populous city in 1041. An early trade in slaves brought profit to Bristol.

In the Norman period agriculture and manufactures were less rude than in the time of the Saxons, but spinning and weaving were for a long time household avocations, and the coarsest cloths alone were produced when the industrial arts in France had reached some degree of excellence. During the Roman occupation of Britain the

native roads were improved, and others still remaining as great highways were constructed. Nevertheless, the general means of communication were wretched; the carriages were clumsy, and pack-horses along bridle paths supplied the chief mode of transport. On the rivers the Britons skilfully managed their light coracles made of wicker and hides. Probably they ventured in larger canoes as far as Ireland and Gaul. Alfréd the Great created a navy of war-galleys, each rowed by sixty or eighty men, to cope with the Danish naval power. Under the Norman kings, further improvements in naval architecture were stimulated by association with France. England was occasionally unable to hold her own, but at other times was aggressive. Trading states in the Middle Ages regarded the seas as the domain of the strongest, and acts which would now be called piracy were often committed. Towns fought against each other without reference to law or king. Yarmouth, Winchelsea and the other Cinque Ports were often in open hostility with the maritime towns of Flanders and France. Individuals as well as towns were left to enforce on their own account the reparation for maritime wrongs, and in their desire to recover their losses they were not scrupulous, where the real offender was difficult to reach, about choosing another in his stead. English merchants for many generations had to fight for every advantage they gained. The European trading leagues having got the start, did their best to stifle in its birth every new effort at foreign trade. They looked upon English vessels as lawful prizes, and sealed their own ports against fresh comers by heavy "discriminative" duties. A celebrated company of "merchant adventurers," however, received a charter in 1406 from Henry IV., and notwithstanding the opposition of Continental monopolists, pursued a profitable trade, smuggling the cheap coarse English woollens into the marts of Flanders, Italy, and the Levant, in exchange for rich cloths, wines, and arms.

The causes and the consequences of the backward condi-

tion of England are not far to seek. Saxons, Danes, Normans, not only plundered the prior inhabitants, but disturbed their institutions. At each conquest the nation was thrown back, and had to begin anew. The Britons under the Romans partook of the refinement of their masters. Progress, arrested when William the Norman ground the land under his iron heel and blighted Saxon freedom with the curse of thralldom, was long in making a fresh start. The feudal system in England virtually rendered industry penal, for it enforced idleness on the vassals, who learned to think that war and the chase were the fitting employments for free men, and that useful work was degrading. Forest laws kept the land from cultivation, and consequently husbandry remained in a low condition. The caprice of the seasons led to failures of produce, both vegetable and animal, and famines were far from unfrequent. For generations England continued a country of forests and marshes—the hunting-ground of domineering Normans. Red deer and wild swine were of higher value in the eyes of such men than the lives of Saxon serfs. Trade was checked by rapine and lawlessness, and few foreign merchants would risk life and property for the profits of commercial intercourse.

The monasteries of that time seem to have been the sanctuaries of industry as well as of learning. Located in fertile vales, the clergy made labour a sacred duty, and by cultivating the rich lands around them they improved the practice of agriculture. They were lenient masters. By shielding the farm labourers from the injustice of the barons, the monks prepared the way for the overthrow of villeinage. If the loss of liberty be the loss of half our virtue, we owe an indefinite debt to monachism for the restitution of this priceless boon. As freemen the lower orders acquired a right to property, which elevated their moral tone and added to the prosperity of the whole population. Manufactures no less than husbandry were fostered by the monks. The principle of every monastery was, that each community

should supply as far as possible its own wants by home labour. Cloth was woven from home-grown wool; abbeys and churches were planned and built by ecclesiastical artificers, and beautiful ruins and splendid cathedrals remain as evidences of their genius. Each religious retreat was a centre of industry greater than military glory. Conquerors and conquered were silently brought together by the teaching and example of the Church, until in the lapse of time and through many agencies the fusion of the two rival races, Saxon and Norman, was completed.

From this period England possesses a national history, and dates its growth as an industrial and commercial power. Characteristic of ignorance, indeed, laws were passed to prevent native industry from being injured by the influx of the necessities and comforts of life from abroad. Thus Henry II. incorporated the weavers of London, and gave them many privileges, condemning all foreign wool to be burnt. Edward I. and Edward III. were warlike rulers, continually in need of pecuniary subsidies, and unscrupulous as to the means by which they obtained them. They perceived that trade was a main source of wealth, and so far, therefore, they encouraged the pursuits of industry. Edward I. opened English ports to the merchants of Germany, France, the Netherlands, Portugal, Spain, Lombardy, and Tuscany, but he confiscated the property of sixteen thousand five hundred industrious Jews, whom he banished from the kingdom, thereby displaying religious fervour, while bringing money to his well-nigh exhausted treasury, and relieving himself of enormous debts. Edward III. granted the weavers, dyers, and fullers of Flanders exclusive privileges, to induce them to settle in the kingdom, yet at the same time fettered the grant with absurd regulations to prevent his invited guests growing rich or proud. A citizen of London in the same reign was executed for using coal as fuel, after it had been forbidden. The clamour against coal may be more easily understood when we remember that

chimneys and glass windows were luxuries not as yet commonly enjoyed, and that the smoke from fires had to make its escape from crevices in the buildings. The earliest export of coal was from Newcastle to France, in 1325. About this time, also, textile fabrics were first exported from England. Woollen cloths were manufactured at Bristol, London, and Norwich. Linen and silk-weaving began to flourish. The hardware manufacture, however, was still bound down by heavy duties, and tin vessels made in Malta, from ore raised in England, formed a portion of the imports.

How rapidly a native marine was formed may be judged by the fact that the Cinque Ports, which for special immunities granted at the Conquest were bound to furnish, when required, merchant vessels for use in war, supplied but five of such vessels for the use of Edward I.; while, together with London, Bristol, and Southampton, they furnished seven hundred and ten, manned by over fourteen thousand sailors, for the service of Edward III. in the siege of Calais. This was the era of the merchant-princes whose names are landmarks in English history. The family of the De la Poles, merchants of Hull, were distinguished for their great wealth, amassed in commercial pursuits in the reign of Edward III. Between that period and the reign of Henry VIII., the De la Pole family produced a lord chancellor, and acquired successively an earldom, a marquise, and a dukedom. The wealth of Canynge, five times mayor of Bristol in the reign of King Henry VI., is attested in the stately structure of St. Mary Redcliffe, the "Pride of the West," one of the finest examples of our ecclesiastical architecture; and also in the still active charities of that city. Still more renowned is Sir Richard Whittington, thrice Lord Mayor of London, who had "right liberal and large hands" to all poor people, and the fame of whose wealth has given rise to one of our commonest nursery stories.

Wealth arising out of industry and commerce produced great changes in national manners and customs. A powerful middle class was created, jealous of their rights, and profiting by the depression of the barons during the Wars of the Roses. These conflicts had long diverted the attention of the English people from the vast natural resources with which they were favoured, while Iberians, Italians, Danes, Norwegians, and Germans, who had, from their offices in London, controlled the foreign trade, obtained for many years a new lease of our matchless coast and harbours. At the accession of the House of Tudor, the magnitude of Dutch, German, or even French trade had not been reached, but there had, nevertheless, been laid by England the foundations of a commerce and an opulence destined to excel and outlast the prosperity of nations much earlier than herself in the race.

Scotland.—The trade of Scotland was less important than that of England, yet large fisheries were carried on along the coasts, and coarse cloths were woven in the towns. The exports were chiefly raw materials, some of which were carried in Scottish ships. The commodities comprised wool, beavers' skins, hides, oxen, horses, and sheep, and were consigned for the most part to the Low Countries. There, as in England, war blighted the promise of dawning commercial enterprise. During the days of the Alexanders* Scottish industry showed signs of development, which the struggle for independence, produced by the claims of Edward I., utterly destroyed. One of the few authentic documents connected with the hero Sir William Wallace, during his regency of the country after the battle of Stirling,

* " Qwhen Alysander oure Kyng wes dede
That Scotlande led in luv and lee,
Away wes sone of aill and brede
Of meal and malt, of gamyn and glee ;
Our golde wes changyd al in lede.
Chryste borne into virgynite
Succour Scotlande, and remede
That stad in his perplexité ! "

is a treaty with the Hanse Towns to renew the intercourse between them and Scotland, interrupted by the English. It was discovered in the archives of Hamburg. The acts of the Scottish parliament from James I. downwards are largely taken up with legislation affecting the national commerce.

Ireland.—Irish commerce resembled that of Scotland and England, and in importance ranked between the two. Dublin, Waterford, Cork, and Drogheda were prosperous ports, dealing in hides, skins, wool, and fish, and to some extent in grain. Woollen and linen goods were exported to a small extent. The commercial imposts were light, which gave the country the advantage of possessing comparative freedom of trade.

CHAPTER VIII.

THE NETHERLANDS.

I.—NORTH NETHERLANDS.

HOLLAND, or the North Netherlands, is referred to by Tacitus as the country of the Batavians, a tribe claiming to be the auxiliaries and friends, but not the subjects of the Romans. The country was at that time a wide marsh, composed more or less of saline diluvium from the Rhine and the Maas, subject to constant changes of form from the action of the sea, and destitute alike of minerals and of timber. Niebuhr says the prevalence of bog rendered any distinctive term for that substance unnecessary in the old dialect, as though no other soil were known.

The Batavians mingled afterwards with the Frisians, the Saxons, and the Franks, the four races constituting the elements of the population of the Northern Netherlands.

Dutch history was, to speak generally, one long wrestle for existence. Beaver-like labour had first to enclose a country to live in, and then to procure by commerce the means of subsistence. The kine of the meadows furnished butter, cheese, and hides, and the rivers and the sea fish. Such industrial discipline was severe, but every step was sure. The Emperor Charlemagne chose Frisian robes, both white and of purple dye, as Easter presents to his favourites, and to the princes in alliance with him; amongst them the Caliph Haroun al Raschid. The interweaving of figures in their textures was an art in which the Frisians seem to have excelled. Their provinces between the fifth and eighth centuries embraced all the

“sea-lands” between the mouth of the Weser in Germany and that of the Zwin in West Flanders. Their name was afterwards applied only to the northern districts of Holland; indeed, the Frisian stock now exists only in far-severed fragments and upon outlying promontories and isles which form the ruins of a once extensive country, nine-tenths of which have been swept away by the waves of the North Sea; but the western coast of Schleswig is still Frisian. The Norse sea-kings found in them a different people to attack from the inhabitants of many other coasts. The Frisians not only repelled the rovers, but daringly pursued them on the North Sea, and even to the Baltic. Under Charlemagne, they also served on the Danube against the Avars. In order to secure their commerce, they fixed upon Stavoren, a town conveniently situated on the Zuyder Zee, which then covered but a small part of the land now submerged, and made it their capital. Stavoren rapidly rose to commercial greatness. Traditions of the opulence of its ancient burghers still linger in many legends, and in the epithet of “the lamented children of Stavoren.” Numerous records are extant of Frisian hardihood, both on sea and land. The Firth of Forth is called by Nennius the *Mare Frisecum* because of its exposure to their early incursions. Every year the North Sea was covered with their herring-boats. Along with other Netherlanders, they were active by sea and land during the Crusades.

The principal period of the rise of the towns of the Netherlands was between the ninth and the thirteenth centuries. The provinces were ruled by feudal lords, whose vassalage to the German emperor was more nominal than real, and at length was but faintly acknowledged. As a means of revenue the rulers took toll at every town, and thus they hampered trade; but greater injury was inflicted upon the nascent commerce by the jealous and almost incessant strife of the provinces amongst themselves. The south and the north Netherlanders, especially, were always rivals. The

mouths of the rivers being in Holland, the inhabitants were enabled to exact any tolls they pleased from the Flemish and German merchants. Such imposts led to resistance, in which the Flemings were often successful.

The trade of Holland divided itself into the trade of the south, with Venice by way of Germany, and the trade of the north, with the Osterlings or Easterlings of the Hanse Towns in the Baltic. That with Venice was conducted partly by the Germans, and partly by the Dutch, the Venetians themselves taking no active part in the carriage of the goods. Repeated interchanges took place in the German towns in the course of transit, so that the same commodities were not always carried from one extremity to the other.

Dordrecht, also called Dort, one of the oldest Dutch cities, is situated in the estuary of the Maas, on an island torn from the mainland during the flood of 1421, about four hundred years after the foundation of the city. Dort was the foremost town of the province, and at one time the residence of the Counts of Holland. Its natural strength was too great for its rulers to be coerced by feudal lords. Heavily-laden vessels could come close to the quays, and the city would have been an important trading-place even without the unusual privileges conferred upon it by its princes, and by which it was enriched. English wool was one of the commodities, of which, for German dealers, it became the principal store. Salt, wines, grain, hops, and wood, were subject to pre-emptive reservations. Being the last port on the Rhine, it was the point where the huge rafts of timber floating down from the German forests were broken up and sold. A great trade was carried on in salt fish and fish oils, as well as in corn and flax. The manufacture of cloth, both woollen and linen, employed many hands; ship-building, sawing, and other industrial occupations, added to the importance of the town.

Zierikzee was, before the thirteenth century, a rich and

flourishing port; in the fifteenth it possessed the largest ships and a numerous mercantile fleet, and traded with Portugal and Spain. Hoorn or Horn, on the Zuyder Zee, owed its prosperity to some Hanse merchants, who established a trading station there in 1316. The trade they brought to the place was chiefly that in beer, but Hoorn also became the seat of a traffic in cattle with Denmark, and in provisions and dairy produce with the maritime countries further south. Its ship-building yards were extensive, and its inhabitants were amongst the ablest of navigators. Zierikzee and Hoorn are of historical as well as commercial interest, for the public spirit with which they resisted the levies of money and men made by Charles the Bold. As a consequence of the wars of this prince, Dutch merchantmen became the frequent prizes of France and other kingdoms; valuable cargoes were annually sacrificed, and crews made prisoners; while at home, taxes were enforced the more rigidly as the citizens became less able to pay. Through the vengeance taken by Charles upon the principal towns, cloth-weaving, which had hitherto been a flourishing manufacture at Hoorn, fell into decay, owing to the numbers of weavers and fullers who were driven from their homes. Zierikzee was made to pay a fine of thirty thousand guilders, and to support a garrison of foreign troops.

Haarlem was a large but not densely populated town, early celebrated for its horticultural produce and for its varied industries. Its staple manufactures of textile fabrics, particularly woollens, were in demand in places as distant as Portugal and Spain. Damask linen from the looms of Haarlem was esteemed in every quarter of the world. Specimens of these damask fabrics were produced of such wonderful fineness and beauty, as to surpass those of the Saracens. Haarlem compounded with the Counts of Holland in 1245, by a guaranteed payment of £20 a year, for freedom from taxes for ever. It suffered pillage in 1491 by

the "Bread and Cheese" insurgents, who were incited to revolt through the misrule of the House of Burgundy.

Leyden at one time sent its cloth to Norway, to England, and to France; it contained a hundred thousand inhabitants, a great number of whom were engaged in the weaving trade. This high state of prosperity resulted from the liberality of the citizens. While the wealthier towns of the South Netherlands were exclusive in their policy, North Holland wisely welcomed all comers, and readily accorded to them the rights of citizenship. Fugitives from Brabant and Flanders settled at Leyden and other towns soon after the year 1300, bringing with them their skill in handicrafts. The city grew rich from the labour of these immigrants, and produced from its three hundred and fifty looms nearly fifty thousand pieces of cloth annually. It also exported machinery.

Delft, like most of the Dutch towns, possessed cloth manufactures, especially those of say or baize: brewing was another important industry, and its potteries were known so far and wide, that Delf or Delft became the common name for that earthenware which is now superseded, even in Holland, by the superior Wedgwood ware and china of England. Gouda likewise was laying the foundation of considerable trade.

Enkhuizen was a ship-building and fishing port. Three-fourths of the Dutch-built herring-boats, from four hundred to five hundred in number annually, were constructed at this port. Its inhabitants numbered forty thousand, most of them dependent upon the "great fishery." The method of pickling herrings, improved by Beukelszoon, a native of Biervliet, was practised also in Amsterdam, Enkhuizen, Delft, Hoorn, Schiedam, Brielle, and Vlaardingen. The produce of this industry was exported all over the world.

The town of Deventer, on the Yssel, was known for trading purposes in the year 882. It was burnt by the Norse pirates, and when rebuilt was often subsequently besieged by contending powers in Holland and Cologne.

It was a free imperial city, well defended, and for a long while a member of the Hanseatic League, a connection which opened to it the trade with Bergen. Deventer also secured trading privileges with Scandinavia. The exports were cattle, corn, butter, cheese, beer, wool, and turf, and there was a busy trade in timber. Coarse manufactures of linen, wool, and carpets also employed the inhabitants.

Kampen, another town on the Yssel, resembled Deventer in the character of its trade. It was once a considerable place, boasting a mercantile marine of one hundred and twenty vessels, and pursuing an active maritime commerce with Holland and the South Netherlands, as well as with more northern states, and also a considerable inland traffic by means of the Rhine. Merchants from England, Germany, and the Baltic assembled in its markets.

Middelburg is a characteristic example of the Dutch towns, which are said to have been in the Middle Ages not parts of the state, but commonwealths in themselves. The municipal charter of Middelburg, bearing date 1213, is the oldest document of the kind extant, except that of Gertruydenberg. Count William II. in 1253, and Count Floris V. in 1271, conferred further privileges upon the town. This place was so flourishing that the English made it, about 1380, a staple or market for the wool trade. Raw wool from England came in free of all customs, the citizens, under the protection of their charter, being "allowed to buy what they liked, where they liked, to live at peace with their neighbours, and to be left alone."* The wool trade of Middelburg between 1380 and 1390 drew to its mart merchants from Italy, Portugal, and Spain, and this intercourse led to a prosperous trade in wine.

Nimeguen (Nymegen), in Guelderland, in 1050 was noted, with Wyk by Duurstede, for the production of fine cloth of a bright scarlet dye, which had retained its high character

* "Industrial History of the Dutch," by T. M'Cullagh.

one hundred and twenty years after, when the chief lord of the province stipulated for a yearly tribute of three pieces to the Emperor Frederick. Nimeguen was a member of the Hanse, and was in alliance with Cologne.

Rotterdam, in South Holland, on the Maas, at the confluence of the Rotte, obtained municipal privileges in 1270, extensions of which were secured in 1340 and 1361. William VI. also materially promoted the business of the town. Rotterdam has always ranked as one of the most commercial and populous cities of Holland. It had inland communication, by means of canals, with every other town in the country; and owing to its river, the largest ships could come up close to its quays. Its manufactures of rope and canvas were extensive, and it carried on a large trade in wines and grain. It had salmon fisheries, and was also one of the principal ports for the herring fishery, as well as for trade with France and England.

The inhabitants of Utrecht (*Ultrajectum*) carry their annals back to the Romans; they were early renowned as skilful weavers. They possessed the right of levying troops and coining money. Their industry and power inspired them with such spirit that they burned their city rather than capitulate when attacked by the Norsemen. Utrecht was in the tenth century the seat of a trade with the Rhinelands, Saxony, Denmark, Norway, and the Baltic, possessed commercial relations with Cologne, and was one of the first towns to engage in the wine trade. Besides the weaving of velvet, linen, and wool, the citizens were employed in dyeing and bleaching, and in the making of earthenware, while agriculture was profitably pursued in the vicinity.

Amsterdam, on the Amstel, was in the year 1300 little more than a hamlet, sheltering a few poor fishermen who obtained their scanty living from the Zuyder Zee. The neighbourhood was desolate marsh-land. Upon this unpromising site the city arose, and became in time the capital of the commercial world. This greatness was chiefly due

to advantages derived from its position. The original village offered security to fugitives from Flanders, and their intelligence and skill laid the foundation of manufactures and commerce. In 1313 William III. granted to the Baltic merchants exemption from tolls at Dort—a privilege afterwards extended to Amsterdam. The city joined the Hanse League, and in 1342 an enlargement of the boundaries became necessary. In 1368 the Swedish king gave to Amsterdam important commercial privileges. War was entered upon in 1437 with the Hanse Towns, or Osterlings, resulting in an extension of the trade of the Northern Netherlands, and in the acquisition of new commercial advantages from Sweden, and soon after from Norway and Denmark. In 1452 Amsterdam was burnt down, and a vast quantity of merchandise destroyed. Twenty years sufficed to restore the city, and to render it independent of the Hanse protection, from which it severed itself in 1472. The trade from this date increased rapidly. In 1482 the inhabitants fortified their capital; by 1500, commercial relations had been established with Iceland and Russia. Merchants from every European country met on its exchange, and it owned a mercantile fleet of two hundred sail. Without any native timber, a forest was driven into the ground to build upon, and large fleets were built and maintained. Surrounded by marshy pasture-land, the city was a vast granary, and a storehouse of the fruits of the earth. Fishermen, more expert than elsewhere, made great hauls of herrings, yet no native-grown hemp could be obtained for their nets, or sufficient iron for their fish-hooks. No happy accidents or adventitious circumstances favoured the city, yet “the sea not only bathed its walls, but entered among its streets; and the fleets of its merchantmen, as seen from the ramparts, lay so crowded together, that vision was intercepted by the thick forest of masts and yards.”

The ancient foundation of the wealth of the Netherlands

was their fisheries, a pursuit to which their teeming seas and scanty soil alike impelled them. References to this industry occur in connection with every maritime town, and prove it to be, not a merely local, but a great national industry. The herring fishery endowed those engaged in it with hardihood, and rendered them skilful navigators. The abundance of the fish not only supplied home wants, but furnished an article of trade, although the perishable nature of the commodities necessitated the speedy curing of the herrings.

Norwegian chronicles refer to the herring fisheries in the tenth century. Shoals round the Isle of Rugen, in the Baltic, were so numerous in 1124 that a waggon-load of the fish is said to have been valued at a pfenning. This abundance was thought by the simple fishermen to be owing to the sacrifices they offered to Swantovith, their tutelary deity, before casting their nets. Before the twelfth century closed, the fishermen of Zierikzee found shoals as plentiful near Briel, and soon these seas swarmed with shabarts, or herring-boats. Zealanders and Frieslanders fished off the Yarmouth coast at the beginning of the thirteenth century, for in a charter granted by King John to that town they received certain privileges ; and leave to fish was afterwards repeated many times in treaties of commerce.

The secret of salting herrings, cod, and ling for export was practised by Peter Chivalier soon after the first charter was given to the town. Twenty marks were paid by Peter de Perars in 1221 for an extension of leave to carry on the art. William Beukelszoon of Biervliet, who died in 1397, has always had the credit of the discovery of a process of curing to which he has given his name.

In 1295 Edward I. renewed to the Dutch the privilege of fishing in the firths of Scotland. Schouwen appears in the fourteenth century to have been frequented by the herring shoals in preference to Rugen. Lubeck and other Hanse Towns found profit in these fishing-grounds.

Kampen, and later Amsterdam, Enkhuizen, and Wieringen, in 1368, took joint possession of a district of Schouwen as herring-curers. Again the herrings changed their haunts, choosing the coasts of Norway as their rendezvous, where Norsemen and Netherlanders alike caught them. These Norse fisheries thrived until 1587, when the apparition of a gigantic herring frightened the shoals away; so at least the credulous fishermen believed.

The art of curing gave a great impulse to the herring fishery. Large takes could now be made with advantage, as nearness to home was not essential. Fishing-nets were increased in size. The first departure from the prescribed dimensions was made by Hoorn or Enkhuizen fishermen in 1416. To float the nets, in the absence of cork, they used a light wood from the Baltic, called toll-hout, afterwards turned to account for buoys, which gave rise to a useful branch of manufacture, and proved far from valueless as an item of commerce.

II.—SOUTH NETHERLANDS.

The early history of Flemish commerce presents three eras.

The first begins about the year 862, when Baldwin III. induced Frisian weavers to settle in Ghent, already a busy city, and thus laid the foundation of a staple industry. He wisely instituted annual fairs or markets, where no toll was taken for goods, and thus gave great encouragement to trade.

The second is connected with Count Baldwin IV., who in 1203 led the fifth Crusade, and, turning aside to the conquest of Constantinople, was raised to the throne of the Eastern Empire, thus bringing the Flemings into communication with countries hitherto little known.

The third period is that of the Burgundian princes, Philip the Good, Charles the Bold, and Maria. It was

Philip the Good who established the Order of the Golden Fleece, and publicly honoured trade and commerce.

The Flemings laboured under the disadvantage of a low and flat coast-line and a scarcity of harbours. Although the land was well watered and suited for inland navigation, the mouths of all the rivers, except the Scheldt, were in the North Netherlands, where transport was hampered by town dues. Flanders and Brabant were, however, more fertile than Holland, and, being so near to France, the agricultural resources of the country afforded more profitable occupation for the inhabitants. Manufactures, also, were established earlier, and took a wider growth than in Holland.

While liberal principles prevailed, the Flemings continued to enrich themselves. Commerce at first was passive on their part; they had few vessels of their own. Italian merchantmen visited Bruges in the year 1300, and Venetian vessels followed a few years afterwards. Genoa, Florence, Ancona, Bologna sent gold and silver lace, silk, cotton, camlets, pearls, oil, and alum; Venice sent spices, drugs and dyes, furs, cottons, and silks. Wines from France, and sugar, yarn, and dye-woods from Catalonia, were subsequently imported. A striking contrast is exhibited between the navigation of the period under review and that of our own day. Catalan vessels occupied six months, Genoese seven, and Venetian eight in making their voyages to and from their several ports and Flanders. Eventually the Flemings carried on a considerable active trade. Floris Berthold, a Flemish merchant, who was described as "richer in gold and silver, gained by means of his great traffic in merchandise, which he sends away by sea and land, than any one else in the world," despatched ships to Alexandria, Cairo, and Syria.

Bruges held the rank of a city in the seventh century. It was the chief trading town of the Netherlands; the emporium of the Hanseatic League, and the centre of the overland German traffic, by which goods

from the Mediterranean and the East were exchanged for the raw produce of England, Norway, Denmark, North Germany, and Russia. Treaties of commerce were signed between Bruges and Spain, Portugal, Scotland, England, the Hanse Towns, Venice, Genoa, and Barcelona. At the end of the thirteenth century its citizens numbered nearly two hundred thousand. Merchants were attracted to the city by the freedom of its markets and the humanity of its government. Shipwrecked mariners received kind attention, piracy was checked, and friendly relations were sought with all foreign states, especially with England. By these means the city flourished, and on occasions of state the citizens were able to display so great magnificence that the envy of sovereigns was aroused.

Manufactures of lace, silks, muslins, damasks, and woollens employed the inhabitants, and these, together with corn, flax, and hemp, were the chief exports. Wool, cotton, timber, and wine constituted the bulk of their valuable imports. The port of Bruges was at first Sluys, but in the twelfth century docks were constructed, capable of holding a thousand sail, at the village of Damme, now a fertile plain not far from the sea. The immense trade and flourishing manufactures of Bruges declined through the altered and selfish policy of its rulers, guildmasters, and others, who bound down the different industries by so many restrictive dues and regulations that contentions often arose. Political contests with the reigning prince, Philip of Burgundy, hastened the decay, and during the war between Flanders and Germany, at the end of the fifteenth century, the harbour became silted up from neglect.

Ghent was next in importance of the Flemish cities, though at one time as densely inhabited as Bruges and Antwerp. It is referred to as a city in the seventh century, and was of much importance in the twelfth as a manufacturing centre. The course of its history resembles that of Bruges, both in the efforts made to trammel trade and in

its frequent intestine commotions. Its guild of weavers was forty thousand strong—the boldest trading corporation in Europe, and for the prosperity of the city ever too ready to test their strength. Other towns in the vicinity of the three great industrial centres just described partook of the same character. Such were Courtray and Ypres, in West Flanders; Oudenarde, in East Flanders; Louvain, in South Brabant; and Mechlin (Malines), in Antwerp. Lille, or Ryssel, was distinguished for the lucrative character and magnitude of its industries. At a festival held by the Duke of Burgundy, in 1454, the lords of the chamber were dressed in silk, and the shield-bearers in satin of Lille make, while the citizens adorned themselves with robes of gold and silk, trimmed with costly furs.

Antwerp existed as a small republic in the eleventh century. It succeeded to a good deal of the trade lost by Bruges, and attained a greater population. From its superior facilities for reaching the sea by the estuary of the Scheldt, upon which it stands, it became a great commercial as well as a manufacturing city, so that the business of a month in Antwerp eventually doubled that of a year of the best days of Venice. Fabrics of flax, wool, and silk were manufactured, as well as carpets of a kind valued for their colours and fineness of texture; weapons and cutlery, gold, silver, and bronze metal-work ranked high for quality; the most eminent tanners and sugar refiners were also to be found here. Antwerp attracted commerce by easy customs dues, and obtained the name of the “Market of the World.” Goods were borne to its shores from east, west, north, and south, by land and by sea.

CHAPTER IX.

SCANDINAVIA.—RUSSIA.

Sweden.—Sweden was in every respect the most important of the three northern kingdoms inhabited by the Scandinavian race. A more extensive country than Norway and Denmark taken together, its power, both political and commercial, in the Middle Ages was correspondingly great. Sweden had possessed herself of the shores of Courland and Esthonia, and planted there a line of Russian kings. In the ninth century Lake Mälär was the site of so prosperous a trade that Biörkö, one of the island cities, could equip an army of fourteen thousand burghers ready for the field, and easily able to contribute one hundred silver marks apiece towards the war. The Dutch traded with this city, bringing linen, cloth, and wine. Biörkö was devastated by St. Olaf in 1008, but such was its extent and solidity that its ruins are still to be found. A similar history attaches to Vineta, a city in the island of Usedom, on the coast of Pomerania. Wisby, in Gothland, flourished by the enterprise of merchants driven from Vineta, and for two hundred years was the chief emporium of the north. It was well placed on an island possessing good harbours, a soil productive of fruits and vegetables, a genial climate, and valuable resources for traffic in corn, lime, timber, pitch, and other forest products. Wisby was a member of the Hanseatic League, and during that connection acquired such commercial greatness, that the “Maritime Law of Wisby” was accepted by most of the commercial nations of the north. These laws were probably a compilation from the earlier “Laws of Oleron,” themselves derived from “Il Consolato del Mare.” The city

was built of stone, and the houses were often strengthened with iron doors and adorned with gilded windows. There were sixteen churches and five monasteries, and within the walls of the town dwelt twelve thousand burgesses, while the labouring classes, contrary to modern custom, dwelt in the suburbs. Merchants took personally an active part in foreign trade, making voyages in their own vessels, in which, towards the end of the eleventh century, they had already ventured as far as Egypt and the Levant. Traders from all the Baltic provinces, and merchants even from Spain and Greece, were so numerous that special streets, with warehouses and shops, were apportioned to the representatives of the different nations. With the decline of the Hanseatic League, Wisby decayed. Though fallen in magnificence, and containing only four thousand inhabitants, it is still one of the most remarkable places in the north of Europe, covering an extent of ground capable of housing forty or fifty thousand people. There are twelve churches remaining, the beautiful Gothic ruins of which cause them to be much visited by antiquarians. In 1368 the King of Sweden gave the citizens of Amsterdam a district in the island of Schouwen (*i.e.*, the extreme south of the Swedish peninsula), in order to facilitate direct traffic between the Netherlanders and his own subjects. The Swedes received salted fish, woven fabrics, wines, salt, drugs, and spices, in exchange for timber, iron, copper, tar, skins, and tallow. The comparative value of commodities indicative of the different resources of two neighbouring states is preserved in a record of barter, where the Swedes gave six quintals of iron for a barrel of herrings.

Norway.—The industry and commerce of Norway have always been centred in Bergen, the ancient capital, which, from its convenient position for carrying on the prolific fisheries of the coast, was enlarged and regularly laid out by Olaf III. in 1070. A treaty of commerce between Bergen and England was signed in 1217, and is interesting as the first record we possess of English foreign trade. Bergen, in

exchange for English goods, gave dried and salt fish, fish oils, tallow, and skins. The commerce of Bergen, however, attained no importance until the city joined the Hanseatic League, of which it formed, with London, Bruges, and Novgorod, one of the chief foreign emporiums. It then rose to opulence and grandeur, was adorned with thirty churches and monasteries and many fine public buildings. Its commerce from that period belongs to the history of the Hanse Towns.

Denmark.—The facilities for commerce enjoyed by Denmark were very great. It possessed the key to the Baltic, and was, besides, favourably situated for intercourse with all the maritime states of Europe. It was the first of the Scandinavian kingdoms to engage in foreign trade. Roeskilde, on the island of Zealand, its ancient capital, founded as early as the fourth century, was in the Middle Ages a large town, containing a hundred thousand inhabitants and twenty-seven churches, and for more than a thousand years it continued to be the abode of royalty. The presence of the court encouraged commerce, and till 1440, when the capital was removed to Copenhagen, scarcely another Danish town is mentioned in connection with trade. In the year 1150 a religious fraternity of mercantile warriors was founded, whose duty it was to proselytise as well as to trade. The “Roeskilde Warriors,” as they were called, were particularly enjoined to destroy the Wends of the east coast of the Baltic, whom they hated both as heathens and as rivals in trade. The other towns of Denmark noted in the Middle Ages for their trade were Aalborg, in the north of Jutland, which traded in grain and herrings; Aarhus, in North Jutland; and Helsingör, or Elsinore, formerly the toll-gate of the Sound.

Russia.—Russia was the last of the states of Europe to emerge from barbarism. In the Middle Ages a great part of the country was barely known, and many districts now belonging to the empire had not then been conquered. The shores of the Black Sea were visited by Greeks, Byzan-

tines, Venetians, and Genoese, who successively competed for the exhaustless supplies of raw materials, such as forest products, furs, metals, and grain brought down to the maritime depots situated in the Crimea and at the mouths of the Danube. The rude commerce was so restricted from various causes, that in order clearly to understand it we must learn something of the political history of the country. The name "Russians" included various tribes. The Russian monarchy was established (862) by Ruric, a daring free-booter of the Baltic. He and his brothers were chosen sovereigns over the Slavonian boyards and Finnish tribes, in order to appease their continual feuds. The brothers Inco and Truvor soon died, and left Ruric undisputed monarch. He was a chief of Varangia, a Norse or Scandinavian kingdom founded by Ingvar the Great on the east coast of the Baltic. The Vikings or Varangians called themselves *Rusini*, from the district of Sweden whence they were originally derived, and Ruric's subjects now adopted the same name, and designated their country *Rus*. Skira, son of Ingvar, had chosen Novgorod as his capital, and until 882 it was both the residence of the Russian sovereigns and the principal mart of the kingdom. Novgorod was the centre of an extensive traffic both with Europe and Asia in very early times, and the Greeks traded with the Crimea; but this commercial intercourse never partook of a national character. Its chief trade was with Constantinople, and its natural advantages were a fertile soil, producing grain and fibres; large forests supporting innumerable animals; and navigable rivers flowing into the Euxine. Novgorod retained its commercial importance after the seat of government was removed to Kiev. Its population in the fourteenth and fifteenth centuries fell not far short of half a million, of whom thirty thousand boasted that they were skilled in warlike horsemanship. Under Vladimir the Great, who married the daughter of the Greek Emperor Basil II., Novgorod became the emporium of a great commerce, conducted by the

Hanse. As a commercial mart, the city took a new lease when, in 1276, it joined the Hanse. Fairs were held, and a prodigious amount of business was transacted. Until 1475 this great confederacy made Novgorod one of its chief emporiums, when, for offence given to Ivan Vasalovitch (the Great), the city was captured and the exactions levied on the inhabitants gave its trade a death-blow. The fairs fell into disuse. Pskov, near Lake Peipus, shared the trade and the decay of Novgorod, while Moscow assumed by degrees the commercial importance which had belonged to both. The great market-place of Moscow, soon known as the "Hostinoydvor" or Strangers' Court, was furnished with five thousand counters or benches of stone. Encircled by a boundless steppe, and enjoying excellent water communication, the trade of Moscow was unimpeded throughout the year; boats or rafts formed the means of communication in summer, and in winter, sledges driven over the frozen snow. Kiev, the second capital of Russia, situated on the Dnieper, and regarded as the sacred city of the Greek Church, the Jerusalem of the North, traded with Constantinople and with the Italian cities to an extent perhaps greater than either Novgorod or Moscow. Kazan was the chief entrepôt of the trade of Northern and Central Asia. It was the capital of an independent Tartar state, and though connected with Russia by trade, it was not annexed until the year 1552, by Ivan IV. The plains of Kazan are fertile, and afford rich pastures for cattle, the rearing of which, together with fishing, are the chief native occupations. The civilising influences of commercial intercourse were slow in penetrating Russia. Novgorod and Pskov were the only towns which possessed the privilege of a free market; all other marts were so fettered that trade could not flourish. The boyards, as the Russian nobles were called, kept aloof from intercourse with foreigners. It was not, indeed, till the time of Peter the Great that Russian prejudices were broken down.

CHAPTER X.

I. — G E R M A N Y.

By German commerce is meant the traffic of the regions of the Danube and the Rhine. During the Roman occupation it had steadily expanded. The vine was cultivated in the reign of the Emperor Probus, A.D. 276 to 282, at which time grain was imported from Britain. For a considerable interval, however, after the fall of the Roman empire, commerce cannot be said to have existed in Germany, for there was neither security nor peace to encourage labour and trade. Not until the nations began to be settled, and to be illumined with the light of Christianity, did husbandry spread and the natural resources of the land become utilised. Germany is indebted for its earliest prosperity to the monks, whose quiet retreats, here as elsewhere, were the sanctuaries of learning and the abodes of industry. Charlemagne, in the intervals of war, turned his far-sighted policy towards the improvement of agriculture and handicrafts. He made the nuns fill up their time with spinning, and settled on his own numerous estates goldsmiths and silversmiths, leather-workers, turners, carriage-builders, cutlers, soap-boilers, bakers, and brewers, and established schools of weaving and dyeing. The nature of the commerce of Germany may be inferred from its geographical position. It must have been overland and river traffic, and at first intermediate, that is, the articles of trade were those of foreign countries. The native products were little more than coarse cloths, linen, beer, and Rhenish wines. Of coast-line the country had but small strips on the Baltic and North Seas. Venice, therefore, was the gate

through which Southern and Oriental commodities reached Germany, and the cities of the Low Countries became the entrepôts of Northern produce. Eventually, however, German commerce was considerably extended. The importance of the sea-coast to a trading country is to be seen in the fact that one of the oldest trading stations of Germany was that of Vineta, in the estuary of the river Oder, to which allusion has been made. Its harbour would hold three hundred ships. Vineta traded with Scandinavia, Russia, and Poland, on the one hand, and on the other with Greece, the Levant, Independent Tartary, India, and China. The town was cosmopolitan in law as well as trade, and every one visiting it was free to worship according to his creed. Attracted by its wealth, Vineta was pillaged by the Swedes and Danes in 811 and in 830, and Magnus, king of Denmark, razed it to the ground in 1043. Its ruins now cover miles of ground in Usedom. Dragovit, in Holstein, and Old Lubeck are both mentioned in the eighth century as commercial towns. Bardewick, near Luneburg, was favoured by Charlemagne, who made a road through Thuringia and Franconia to Bavaria, thus connecting this town with Celle and Magdeburg, and facilitating the transport of goods between North and South Germany. This able ruler likewise planned a canal to unite the Rhine and the Danube.

Henry the Fowler (918—936), turning his attention to the mineral resources of Germany, promoted mining with such success that after the year 987 gold to the value of ten thousand marks was obtained annually from the diggings on the Eule. Most of the early trade was conducted by the Jews, who, everywhere oppressed, could only accumulate portable wealth, especially in the form of money. The monks also, enriched as they were with the gifts of the devout, and bound to industry by their vows, undertook some part of the German trade. The profits thus made were not unfrequently confiscated wholly or in part by war-

like rulers, for the support of their soldiers. The roads were beset with freebooting knights, who, through profuse living, were unable to support themselves on their regular revenues, and, little better than highway robbers, exacted arbitrary tolls and plundered the merchants. They built strong castles out of a common fund, shared the proceeds of their plunder, and were in continual conflict with the trading towns. Their prodigality and rapacity were boundless, and the emperor's mandates were openly disregarded. Occasionally they resorted to piracies at sea. To suppress this lawless state of things, the emperors assumed the protection of the market towns, appointing a governor, and raising a glove on the market-cross of each place as a token that hostilities were forbidden. Traders travelled in company, with swords hung from their saddle-bows. Rich and powerful cities, such as Vienna, Ratisbon, Ulm, Augsburg, and Nürnberg, maintained bodies of soldiers, who formed an integral portion of the imperial army, and who gained expertness in the use of arms by defending themselves on commercial journeys between their own flourishing towns and Constantinople or Italy. The towns formed leagues amongst themselves for mutual protection. Three such unions are of historic note—the Rhine, the Swabian, and the Hanse Leagues.

The *Rhine League* comprised the trading towns in the south-west of Germany and the lower Rhine provinces, as Cologne, Wessel, and Munster. Cologne was powerful and wealthy, and of ancient foundation, with flourishing manufactures and commerce, a population of one hundred and fifty thousand, and an armed force of thirty thousand men. It was the meeting-place or market for the trade flowing through the whole of the Rhine lands.

The *Swabian League* included at first the trading towns of the Danubian states, as well as the whole circle of Swabia, now divided into Bavaria, Wurtemberg, and Baden. This circle was enriched by the river traffic, and the towns of

Augsburg, Ratisbon, Ulm, Nürnberg, Constance, Eslingen, Reutlingen, and Kempten grew prosperous thereby. Subsequently a still more profitable trade was pursued with the republics of Italy, and the Swabian League even extended its ramifications to the south of Russia. The towns of the league were industrial as well as commercial, and retained for their own use many of the manufactured productions of North Germany, as well as the Oriental commodities which passed through Italy, in exchange for textile fabrics and metal-work. The burghers became so wealthy that they were able to entertain kings. Augsburg was the home of merchant-princes, who on more than one occasion maintained an army, or made an equivalent contribution, for the service of their sovereign.

The *Hanseatic League* derives its name from the Low Latin "hansa," used by King John in charters granted to several English towns, as York and Dunwich ; or "hanse," a term applied in Germany to a guild or confederation. Werdenhagen believed the term to be compounded of three words, viz., An-der-See, *i.e.*, on or by the sea, because the first union consisted of maritime cities only. Be that as it may, the union of the Hanse Towns exceeded all the other leagues of the Middle Ages. Its earliest magazines were only on the Baltic, but the reputation of the security and welcome offered to its members spreading amongst merchants who had heretofore been obliged to conduct in person every costly venture, the Hanse rapidly increased. The original members of the league did not exceed a dozen towns, of which Lubeck stood at the head, while Bremen and Hamburg ranked next. An astonishing success marked its history during the fourteenth and fifteenth centuries. Wherever its factories appeared commerce thrived. Its care extended to both land and sea traffic, and agencies were appointed in the Hanse Towns with the special view of developing foreign trade. In 1267, by permission of Henry III., a settlement was established in London.

1418 the French cities of Rouen, Bordeaux, and St. Malo were enrolled as confederate cities; Barcelona and Cadiz, Leghorn and Messina, also entered into like alliances for reciprocal privileges. The league was governed by a Diet, meeting every three years in Lubeck, the time of meeting being known as the Hanse Days. Lubeck, Dantzic, Riga, Cologne, Munster, Deventer, Magdeburg, Brunswick, and Hildesheim were the capitals of Hanse provinces during the time of its greatest authority, and these cities alone possessed the right of signing privileges of membership in the league, which they did on stated quarterly days. Every town was called upon for its quota of men and money, to resist aggression and to punish offending nations. The average annual contribution amounted to two thousand and sixty-nine thalers. Among the Hanse factories (afterwards permanent settlements) in foreign parts, those of London, Bergen, Bruges, and Novgorod were the most important. They were governed by laws as stringent as those which ruled monastic life; marriage was forbidden to the officials, that their minds might not be diverted from their duty to their employers. The influence of the agents and their servants was so great as sometimes to override the local laws. The towns enrolled were classified, in accordance with their nationality and geographical position, into four districts, forming a northern, a southern, a western, and an eastern group, known respectively as the Wendish, Saxon, Westphalian, and Prussian quarters.

The *Wendish Quarter*.—Mecklenburg and Pomerania, the original nucleus of the entire Hanse, embraced the towns of the lower Elbe and Holstein, a territory which, though now German in language, was then Wendish or Slavonic. It contained Lubeck, "the Queen and Princess of the League," the seat of the central government, and depository of the public archives and treasury; also Anklam, Hamburg, Greifswald (the capital of the Upper Wendish subdivision), and the towns of Kolberg, Luneberg, Stettin, Straalsund,

Rostock, Rugenvelde, Stade, Stargard, Stolpe, Wisby, Kiel, and Wismar.

The *Saxon Quarter* included the towns lying south of the Wendish division, or Saxony in its ancient wide sense, from the Weser to the Oder. Its capital was Brunswick, and among its other towns were Magdeburg, Berlin, Frankfurt-on-Oder, Ascherleben, Breslau, Eimbeck, Gottingen, Goslar, Halberstadt, Halle, Hameln, Hanover, Helmstadt, Hildesheim, Lemgo, Nordheim, Quedlinburg, Salzvedel, and Stendal.

The *Westphalian Quarter* embraced the towns of the Rhineland especially, together with Westphalia and the Netherlands. Cologne was its leading city, and the towns of Amsterdam, Arnheim, Bremen, Bolsvard, Briel, Deventer, Dordrecht or Dort, Dortmund, Duisburg, Groningen, Hardewyk, Kampen, Middelburg, Muiden, Munster, Nimeguen, Osnabruck, Stavoren, Paderborn, Roermonde, Zierikzee, Zutphen, Wessel, and Zwolle belonged to this important and populous quarter.

The *Prussian Quarter* included the towns of the far east, viz., those of Old Prussia (not to be confounded with the modern kingdom of that name), Livonia, Esthonia, Lithuania, and Poland. Dantzic was the capital of this quarter, and among its members were Königsberg, Riga, Dorpat, Revel, Krakau, Elbing, Thorn, and Kulm.

From the constitution of the Hanse, the numbers of towns of which it was composed, as well as those in alliance with it, varied from time to time. Those mentioned above were the members in the fourteenth century.

II.—HANSEATIC LEAGUE.

I. *Old Prussia, or Eastern Division.*—Trade with this province of the Hanse originated in 1309, after the Grand Master of the Teutonic Knights had subdued the Lettish tribes possessing the country, and had forced them to adopt

Christianity. Some German colonists who accompanied him quickly perceived the resources of the country, and devoted themselves to trade. The natives, excluded from manufactures and commerce, were compelled to engage in agriculture and cattle-rearing. The traffic in corn and timber was considerable; that in beer, mead, amber, cloth, and iron stood next. Marienburg was chosen as the seat of government, and its old castle is still an object of interest to the traveller. Thorn, Elbing, and Königsberg were the depots of commerce. A battle took place in 1410, as a result of which the territory was converted into a Polish fief. Connection with the Hanse, however, was still maintained, and the prosperity derived from trade was but slightly affected.

2. *Esthonia and Livonia*.—A similar blending of proselytising zeal and commerce brought the heathen races of these parts under the power of a fraternity of Bremen traders, calling themselves Knights of the Sword. After this rude conversion the people were taught some of the industrial arts. The Knights of the Sword were eventually absorbed by the Teutonic Knights. In Russia the Hanse found a field of enterprise almost uncultivated. Timber, grain, flax, hemp, ropes, skins, furs, Russian leather, wax and tallow, and raw forest products, could be bartered to an indefinite extent for salt herrings and serge for the labourers, and jewels, wines, and brocades for the wealthy. The first factory in Russia was at Riga, the trade of which was especially encouraged by Archbishop Albert. Novgorod at a later date was chosen a member of the league by the Diet, with a provision thenceforward applicable throughout the league that only a native of Lubeck should be the secretary of a factory, although any free burgher might be an alderman. A decree at the same time interdicted all trade on credit with the Russians, under a penalty of fifty marks for every such transaction. Novgorod was resorted to as a residence by many German traders, and soon grew into a

great and wealthy town. Continual conflicts with the Grand Dukes of Muscovy checked its later growth, and drove many of the Germans to the rival emporium of Dorpat, in Livonia. The ramifications of this division of the Hanse trade extended up the Neva, through Lake Ladoga, the river Volchoff, and Lake Ilmen. The transport of goods was almost exclusively conducted by Lubeck.

3. *Sweden*.—The kingdom of Sweden took no active part in commerce during the Middle Ages, and the inhabitants, compared with other European states, had made but little progress. Nevertheless, its kings, by wisely offering freedom of trade, induced traders from every part of the world to bring goods for barter against the raw produce of the country. Lubeck, Hamburg, and other towns were exempted about the year 1250 from wharfage and customs dues, and in the fourteenth century, by the favour of Eric Valdemar and Magnus of Sweden, the Hanseatic traders resident in the country were put on a footing of equality with the king's own subjects. There was a reciprocal benefit in these extensive privileges, for the Swedish sovereigns thus obtained the powerful aid of the Hanse against the Danes, who had conquered Schouwen, the fairest part of the kingdom, and the best suited for commerce. It was the greatest resort of herring shoals then known. While Denmark held this province, Sweden was shut out from profitable fisheries, having no place near for the necessary operations of drying, smoking, salting, packing, and shipping the produce. For the varied freights that the Hanse traders offered Sweden she gave in exchange iron and copper, timber, pitch, ashes, and hemp. The market-places of Skänor and Falsterbro monopolised the principal portion of the trade. The latter was the port of the Danish island of Falster, called from its fertility the orchard of Denmark.

4. *Norway*.—Bergen, on the Norwegian coast, was one of the four foreign factories maintained by the Hanse. As

a trading station it was important not only to the country in which it was situated, but to the league itself. Concentrated in Bergen was the commerce with Iceland, Greenland, the Faröes, and the Scottish Isles, consisting of skins, timber, resin, feathers, herrings, salted fish, and fish oils. Bergen was not gained over by Hanseates with such ease and rapidity as other towns. Some privileges were granted to the settlers for services rendered against the Norse pirates; but others had to be wrested from the Norwegian kings. In course of time the traders by purchase obtained possession of the old town, which they joined to the new one by a bridge. The factory they reared was an establishment of great magnitude. It consisted of twenty-two courts, in blocks of nine and thirteen, each court capable of accommodating fifteen households. Apprentices from the Hanse Towns came to Bergen, to be taught the business of a merchant. With the half-barbaric customs of the age, they were made to pass through the cruel ordeals of "the fire, the smoke, and the scourge," as a part of their training. In spite of these precautions, the Hanseates are described as extremely licentious, and as incessantly engaged in broils with the citizens. They proceeded so far in 1456 as to put to death the governor and the bishop, who had offended them, together with sixty of the inhabitants. Yet it was not until a hundred and five years later that the power of the Hanseates was destroyed by the vigorous measures of the reigning sovereign (Frederick II.) of Denmark.

5. *Denmark*.—The attitude of Denmark to the Hanseatic League was one of war rather than of trade. There was seldom peace between them, each in turn being the aggressor. Valdemar III., of Denmark, in 1361 attacked Wisby, or Wisboro, a wealthy Hanseatic town in Gothland. Enraged at losing eighteen hundred of his troops in the siege, he utterly destroyed the town, and provoked thereby the retaliation of the Hanse. Before the year expired he received seventy-seven declarations of war from the German Hanse

towns. His fleet was defeated, and he was compelled to sue for peace. Soon afterwards the war was renewed, and lasted until 1370. In this interval an army of sixteen thousand citizens of Lubeck, commanded by Everhard von Mose and Gotschalk von Attendorn, two of the city senators, gained much renown. The Hanseates deprived Denmark of Schouwen, and compelled Copenhagen, Elsinore, Nyköping, and Falsterbro to capitulate.

6. *The Netherlands*.—The Dutch were not slow to perceive the benefit of union with the Hanseatic League. Dort, Haarlem, Rotterdam, and Amsterdam, in Holland; Nimeguen, Zutphen, and Harderwyk, in Guelderland; Zwolle, Kampen, and Deventer, in Overysse, joined the federation. The Hanseates, on their part, were equally ready to buy and sell in the Dutch markets, using their own vessels for transport. They here met foreign merchants, with whom they carried on a considerable trade, especially that connected with the Mediterranean, which was beyond the reach of their own direct personal enterprise. In the South Netherlands, Flanders and Brabant vied with each other in the welcome they offered the Hanseates. Louis of Flanders interdicted them from acting as bankers, but otherwise left commerce free. Antwerp, in 1315, promoted a commercial treaty, under the auspices of John, Duke of Brabant, and the example was followed in 1360 by Ghent, Ypres, and Bruges. In all these cities the Hanseatic traders were brought into contact with civilisation more advanced than their own. They met with institutions better than those which they themselves possessed, and learnt new principles of business. One example, among others, was that of the Insurance Chamber at Bruges, the utility of which, now universally recognised, was a new discovery to these Northern merchants.

7. *England*.—Henry III., as we have seen, permitted an entrepôt under the rule of the league to be instituted in London in the year 1267, and conferred upon the Hanse

traders exemption from the duties on grain. The Hanse community accepting these terms was so numerous as to establish a government of its own, consisting of an alderman, two suppliants, and nine councillors. In consideration of these and other privileges, the Germans undertook to maintain one of the city gates, and to defend it in time of war.

8. *France*.—Several French cities have been mentioned as among the number of the Hanse Towns; very little trade, however, was carried on with them. Beyond the limits of the usual Hanse trade, the waters were infested with pirates. The policy of heavy shore dues was also blindly enforced by France. Wine and salt, the chief commodities that the country could provide, were to be obtained elsewhere. Rhenish wine was drunk in preference to French, and was a staple commodity in the Netherlands.

9. *Spain*.—Cadiz and Barcelona were in alliance with the league for mutual defence, but were not enrolled as members. The direct trade with Spain was more limited even than that with France. Indirectly, Spanish produce was obtainable through the Netherlands, which country was for a long time an appanage of the sovereigns of Spain.

III.—INFLUENCE AND UTILITY OF THE HANSE.

IN order to sustain the prestige of the league and to enforce compliance with its mandates, the noblemen and most eminent burghers of every city trained themselves for cavalry service, while the citizens or lower ranks formed the infantry, and were armed with bows, cross-bows, battle-axes, maces, and lances. Martial ardour was kept up by reviews. In addition to citizen soldiers, the large trading towns employed mercenary troops, both horse and foot, sometimes so numerous as to form an army in themselves. These forces were used not only to crush the German freebooters, but for sea service against hostile states, and against pirates. Among the

latter the Baltic was scourged by the "Victualler-Brethren," or "Vitaliers," whose chief seat was Embden, in Hanover, and who were encouraged in their piracies by the Count of Oldenburg. Hamburg, the chief sufferer from these pests of the sea, was mainly instrumental in their extermination.

Although barter had to be adopted in the commercial intercourse of the league with the uncivilised Northern races, yet coin was in extensive use, and many of the Hanseatic towns possessed their own mints. There was no common standard, but the coins of several of the towns were current through a large district. Those of Lubeck, for example, served for Holstein, Mecklenburg, Pomerania, and the Wendish towns. Gold was employed in the settlement of large accounts, and silver was often weighed by the mark. The system of credit, which has been such a powerful stimulus to production in recent times, appears scarcely to have been known. Bills of exchange were not in use, and the precious metals were necessarily carried to and fro in the same way as merchandise.

Security and peace, the vital elements of commercial prosperity, were the first-fruits of this federation. Princes were taught the duty of respect for property at a time when the lesson was especially needed, and subjects learnt how much could be done by self-dependence, perseverance, honourable dealings, and co-operation. The necessity for a code of maritime law to regulate the conduct of men removed from state control, particularly in relation to shipwrecks and war, had been long felt. The laws of Wisby and Oleron were promulgated, the principles being gathered from the earlier code of Barcelona, which, in turn, was the revival of that of Rhodes, acted upon for ages by the Romans. These laws regulated for many ages the commerce of Europe, and their spirit animates the maritime codes of our own day.

CHAPTER XI.

SUMMARY OF THE HISTORY OF MEDIÆVAL INDUSTRY AND COMMERCE.

THE Middle Ages, or the period between ancient and modern civilisation, lasted from the end of the fifth century to the end of the fifteenth, a period of about a thousand years. A deluge had overwhelmed the moral corruption of antiquity. Floating upon the turbulent waters, the ark of the Church preserved the relics of industry, art, learning, and purity of life: the caliphs co-operated.

The feudal system had its origin in the period of anarchy following the irruptions of the Goths and Huns. Distinction amongst the great was measured by their landed possessions and the number of their vassals. War was the only means of increasing property, and bands of idle retainers were kept, ever ready to obey the behests of their chief. Europe was obscured in a mist of prejudices, superstition, and ignorance. Literature was almost unknown. The native inhabitants were reduced to serfdom, and the land became the property of chieftains, who divided it under feudal tenure among their vassals. Labour being the heritage of slaves, whose interest was to do as little as possible, there was in work no elevating principle comparable to the dignity supposed to attach to war. The same false belief that fighting was the worthiest human occupation prevailed, as among the Greeks and Romans. The degradation of serfdom was for a long while unrelieved, for lords and slaves were equally ignorant. Industry, like learning, was free only in the hands of the monks. Whether imposed for the purpose of self-mortification, or

adopted by them through a true insight into its humanising influences, it was pursued with pious devotion, and became an important element in the salvation of Europe. Then arose monastic guilds and grades of handicrafts, from masonry with its mystic symbolism, developed in cathedrals too grand for our imitation, to the simple cultivation of the soil.

Otho, Bishop of Bamberg, styled in the legends the "apostle of Pomerania," visited that country in 1124 for the purpose of converting the inhabitants. He observed that the art of making hydromel or mead was well understood, but it was thought unbecoming to substitute that liquor for wine in the sacrament of the Lord's Supper. When he returned in 1128 he brought with him a large cask filled with young vines, which were planted by his directions, in order that he might be enabled to administer wine to the converts; for at that period laymen as well as ecclesiastics partook of the communion in both kinds. It is owing to the same cause that the culture of the vine was introduced with Christianity into several northern countries. Moehsen affirms that the difficulty of obtaining wine in the North, otherwise than by commerce or an expensive cultivation, gave rise to the custom of communicating in one kind. "Thus," says that writer, "necessity brought about a sophism, by which the most solemn of all the institutions founded by the Author of Christianity was changed in its mode of administration."

While a new order of things prevailed in the central, southern, and western regions of Europe, the eastern Roman, or Byzantine Empire, though declining in power, remained nominally unchanged. Constantinople and Alexandria shared between them the remnant of universal interchange, and originated the first subdivision of the mediæval period—that of Byzantine and Arab commerce, lasting to the year 1100. The second subdivision was that of the Venetian

and Hanseatic commerce, lasting to the year 1500, the Crusades being the connecting link between the two.

Charlemagne for nearly half a century ruled a new and mighty empire, its form modelled upon that of the Romans. His authority, however, was personal, not constitutional, and died with him, while his empire fell to pieces. Civilisation, nevertheless, advanced during his reign. While petty shopkeepers and operatives remained thralls, wholesale dealers and merchants formed a caste of freemen or patrician citizens, to whom were given rights of coinage, customs, markets, warehouses, and other privileges, which developed into fellowships or leagues for the maintenance of rights when once won, for mutual defence against predatory and oppressive barons. Such were the Rhine and Swabian Leagues, afterwards absorbed in the Hanse, and the industrial guilds or city companies of London and other great commercial centres.

The rise of the Mohammedan power was momentous to the world. One century from the advent of the prophet, A.D. 622, sufficed for an obscure tribe of Arabs, under the name of Saracens, to extend their power and subjugate more of the world than had ever owned the sway of the Romans. Converted to Islamism, the various tribes appeared imbued with the military as well as the fanatical ardour of their subduers, and, as Turcomans or Turks (a Tartar tribe), spread in another wave of conquest from the East, while the Moors from the north of Africa (Mauritania) ravaged Spain. The Arabs were distinguished in commerce and learning as well as in war. They established themselves round the whole of the shores of the Mediterranean. Their trading ventures extended over the regions from China to the Atlantic, and the results were more magnificent than any which the Phœnicians attained.

The progress of the Crescent in Europe roused political alarm and religious antagonism, and a burning resolve bound the soldiers of the Cross to rid the Continent of the Infidels, as well as to rescue the holy places of Palestine.

The Crusades extended over two hundred years, a period of many important social changes in European history. Great as was the loss of life and treasure, many benefits accrued therefrom to Europe, which had fewer of the arts of civilisation to teach than to learn. First, the natural resources of Europe bore no comparison with those of Asia. From the soil were obtained the bare necessities of life, securing in the rudest fashion the essentials of food, warmth, and rest. Of substances used for food there were grain, flesh, and salt, in coarse abundance; but the indigenous fruits were few and unimproved. Wine was scarcely known, and the taste for spices had yet to be acquired. For clothing, linen and woollens were the only fabrics woven. Cotton and silk were as little used as diamonds and pearls. Acquaintance with these things, formerly confined to courts, excited a desire for them on the part of the Christians who had seen their profusion among the more refined nations of the East.

The Venetians and the Genoese, together with the Pisanese and the citizens of Marseilles and Barcelona, became the purveyors of food, clothing, and arms, as well as the owners of the transport vessels for the Crusaders, and reaped thereby large profits. Following in the wake of the armies, they rivalled each other in concluding treaties, erecting factories, and founding settlements even on the enemy's shores; and the products of their enterprise were dispersed through Europe. Conflicts for the supremacy of the Mediterranean were frequent, and often of an involved character. Venice finally beat all her rivals, acquired a foremost place among the powers of Europe, extended her possessions to the furthest shores of the Levant, and supplied the Western nations with the costly merchandise of India and Asia. Jealousies amongst the Italian cities, giving rise to wars, could not undo the great advantages derived from the new commodities imported into Europe, nor their general diffusion. Silk dresses, spices, perfumes,

came into common use among the wealthy; and food, clothing, and household arrangements underwent a complete revolution. Woollens employed a multitude of workmen in Florence and Catalonia. The rearing of the silk-worm gave rise to a staple of wealth in Italy and France. The Levantine commerce vivified the manufactures of Flanders, and the northern commerce in turn enlivened that of the Levant. In the north of Europe arose the Hanseatic League, which, originally founded for the repression of Danish piracy, monopolised in the end the commerce of Germany, Poland, Russia, Sweden, Norway, and England, and entered into a close relationship with Venice.

Italy was the first to exhibit the growth of new tastes, which, as they spread through Europe, changed the aspect of social life. The nobles, diverted from fighting, displayed their wealth in dress and equipage. Their retainers gradually became peaceable labourers and handicraftsmen, and their descendants have placed within the reach of the poor of modern times many things either unobtainable, or obtainable only with great cost and difficulty even by the emperors of Rome. Serfdom was broken by the power of a circulating capital, of metallic in lieu of "live" money. The payment of wages produced among the workmen in the towns an ever-extending industry, wealth, and, as a consequence, personal freedom. The more fortunate position of their fellow-countrymen in the towns roused the envy of the rural bondmen. At every convenient opportunity numbers escaped from their lords and took refuge in the towns, where after a residence of a year and a day they were recognised as *freemen* and *citizens*. Oftentimes the burghs fought in defence of these fugitives. Domestic habits were greatly altered, and the desire for Oriental luxuries stimulated husbandry and every form of handicraft, to provide exchangeable commodities.

There were not wanting rulers who viewed the revival of

commerce with alarm, and who enacted sumptuary laws, copied from those of Rome, concerning the number of guests, the variety of viands, and the cost of entertainments. In our own country, for instance (1377), only two courses, and two kinds of food at each course, were permitted by law, except at festivals. Furs and silks were prohibited to any one with an income of less than £100 a year. Foreign cloth was to be worn only by members of the royal family. Henry IV. restricted the breadth of the toes of shoes to six inches. Edward IV. commanded that only lords should wear a short mantle. An edict against gilt spurs and bridles was issued in Ireland (1447); and any one was empowered to seize and keep for his own use horses caparisoned contrary to law. Such measures are always impolitic and radically bad. Where people are inclined to extravagance, sumptuary laws are powerless to check it; they are met by bad habits and evasion, but they cannot alter dispositions.

As religious fanaticism wore away, treaties of commerce began to be framed with the Saracen rulers in Syria, Tunis, Tripoli, and other parts of the Asiatic and African coasts, and thus the maritime traffic became extended and improved. The result on the land traffic of Europe was remarkable. Every Mediterranean port served as a centre for the diffusion of the fruits of labour. Extensive commerce was incompatible with feudalism. The wealth arising from industry and trade, which belonged to a class whose property was at the mercy of their lords, was distinguished from land or real property by the name of chattels or movable property. The traders in towns, anxious to retain the produce of their labour, learned to take advantage of their lord's necessities, and to make bargains with him for privileges, whenever he demanded from them a grant in aid. The burden of the Crusades fell upon the burgher class, and during their continuance the demand for aid was often repeated, with growing power on the part of the traders to

make terms, and with lessening capacity on the part of the barons to resist. Towards the end of the period the barons were reduced in numbers and resources ; the kingly power had increased ; but there had arisen a more enlightened and opulent middle class, by whom the future of Europe was destined to be controlled. Politically, the Crusades are memorable for the blow given to feudalism, for the dignity conferred on labour, for the assertion of municipal rights, and for the recognition of a new power in the state—that of personal property, in contradistinction to the ownership of land held by the various feudal tenures. The social and intellectual benefits derived from intercourse with the East have ever since influenced European manners and customs. The rudeness of Europe was softened by contact with Oriental refinement. Language was enriched by many new words from a pure, flexible, and copious tongue, in whose accents alone lived poetry and learning. From the Arabs Europe obtained the Arabesque style of architecture and ornamentation ; the long-lost treasures of classical literature, comprising the history, poetry, and philosophy of Greece and Rome ; together with astronomy, astrology, chemistry, the Arabic numerals, and algebra. Navigation, and therefore commerce, pursued with an ardour never before witnessed, received the greatest impetus, when men learned to guide their course by the mysterious power of the magnet. Improved shipbuilding followed, and, as a consequence, an ever greater and more equable distribution of the gifts and blessings of nature.

The Arabs succumbed but partially to the Crusaders. The caliphs, however, yielding to their love of retirement and refinement, neglected the art of government, and formed a body-guard of mercenary troops. Such pusillanimity and indolence left them open to the attacks of the Turks, whose resistless encroachments were not stayed until, in 1453, Constantinople fell and the Byzantine empire came to an end.

The cessation of the Crusades found Europe in a condition of intellectual twilight, which, for two centuries, gave increasingly brighter promise of the daybreak of modern civilisation. This interval was crowded with events, the fruition of influences to which the Crusades gave birth. There was felt a restless dissatisfaction with the narrow present, and a feverish desire to explore the unknown. Travel and intercourse with races of different habits, creeds, and attainments, had widened the scope of human ideas and set men thinking. Social, physical, and spiritual questions were equally the subject of investigation. As municipalities grew in wealth and influence, and united in trade-leagues, and their several industries became formed into fellowships or guilds, industrial and maritime legislation became a necessity. In consequence of the growing necessities of commerce, coinage was subjected to stricter regulation, bills of exchange and banking were regulated by law, while clearer ideas on the subject of interest and usury began to prevail. The prescriptive customs or unwritten law of the sea—the ancient usages of the Mediterranean states—were systematized in the church of St. Sophia, at Barcelona, and agreed to as the established code or statutes of the sea—*il consolato del mare*.

Inventions and discoveries that have transformed the course of industry distinguish this period of transition. Gunpowder, the invention of Roger Bacon, or of Berthold Schwarz, about 1280, changed the weapons and tactics of war, and altered the relations between states. From its introduction is to be dated the origin of standing armies, taxation to maintain the soldiery, and consequently constitutional government, with more effectual protection to property. Feudalism was still further weakened, while industrial, commercial, municipal, and monarchical power grew apace, and shared in the authority and responsibility of government. The art of printing, due to Guttenberg, about 1440, combined with that of paper-making, multiplied

facilities for the acquisition and preservation of knowledge, and directly led to the great emancipation from priestly thralldom of which the Reformation was the exponent. Heretofore the map of the world contained no more than the northern part of a single hemisphere, and the equator was the southern limit of geographical knowledge, while of the polar regions nothing was known. The improvement of the mariner's compass, from a magnetic needle on a floating piece of wood to a scientific instrument of inestimable utility to mariners, which opened to human enterprise a southern and a western hemisphere, is attributed to Flavia Gioja, a citizen of Amalfi. Before this time the magnetic points were significantly known as "the hot" and "the cold" poles, in reference to the geographical limits of our knowledge of the earth. Yet from the middle of the fourteenth to that of the fifteenth century, the compass was scarcely used beyond the Mediterranean. The Atlantic was still an unknown expanse of waters; and as to the west coast of Africa, "He who would pass Cape Nun would either return or not," according to a proverb which meant that a wise man would alter his mind before penetrating into regions situated about three hundred miles from Gibraltar. There were indeed traditions extant that the Phœnicians six centuries before the Christian era had sailed round Africa by way of the Indian Ocean, returning through the Pillars of Hercules and the Mediterranean Sea. The desire to circumnavigate that continent was checked solely by fear of its perils. Plato relates a legend, said to have been derived through Solon from the Egyptian priests, of the island of Atlantis, which possessed a numerous population and was adorned with every beauty. Its princes had invaded Africa and Europe, and had been defeated by the Athenians, while Atlantis was subsequently swallowed up by the ocean in a day and a night, as a punishment for the impiety of its inhabitants. Whether this legend arose from the vague belief of antiquity

in Western lands, or from Phœnician voyages to the Canaries and the Azores, is undetermined. The followers of the geocentric doctrine, that the earth is the centre of the universe and the most important body in it, were stoutly opposed by the disciples of the Copernican or heliocentric doctrine, who maintained that the sun is the centre of the solar system, and the earth a small planet. Commercial and scientific reasons, as well as the cravings of intelligent inquirers, urged on maritime discovery. To reach India by ship meant saving the cost of overland transit, and of relading. It meant also the giving to the Atlantic states a pre-eminence over the commercial republics of Italy.

Venetian and Genoese voyagers first displayed their growing confidence by passing the Straits of Gibraltar, and trading as far north as the city of Bruges. The experience thus gained gave them the daring and skill necessary for sailing to the mythic lands of the south. Some of the islands of the African coast (*Hesperidum Insulæ*) were known to the ancients; but, although their soil was found to be rich, they were not colonised. In the year 1200, the Genoese ventured as far as the Canary Islands, but were as little impressed as their predecessors with the value of the discovery, for they did not revisit them for nearly one hundred and fifty years.

Portuguese enterprise, rewarded for a century's patient effort by the discovery of the Cape of Good Hope and the commerce of India, spurred the neighbouring Spaniards to the still more wonderful discovery of the New World, when two hemispheres until then in ignorance of the existence of each other began to possess a common history and mutual interdependence.

The aristocratic republic of Venice had declined before the genius of Vasco de Gama, and Columbus had given a new direction to commerce and sealed the doom of the capital of the commercial world. The advance of the Turks had led to continual wars, a life-and-death struggle before

which the Venetian merchants slowly retreated, yielding their Oriental trading stations to their ceaseless assailants, who closed successively the various channels of intercourse with India, and, after the capture of Constantinople, left the republic only an intermittent trade through Alexandria, which was subject to the caprice of the Mameluke rulers of Egypt, and was also under the ban of the Pope.

With the fortunes, as with the trade of Venice, the Hanseatic League was identified, and the overthrow of the first was one of the main causes of the gradual disintegration of the second. Trade was transferred from the Mediterranean to the ports of the Atlantic.

Mediæval commerce resembled ancient commerce in being centred in cities which, originally blending religious rites with trade, eventually became the seats of political power. It differed in the wider area whence commodities were derived and in the larger share that maritime trade took in their distribution. The fate of these centres contrasts with that of the states of antiquity, which were ruined chiefly by conquest, and have utterly disappeared. During the Middle Ages the great emporiums of Italy culminated and decayed; yet, despite their continuous wars for supremacy and the decline of their splendour, they were not totally destroyed, and their institutions, literature, and language still remain to prove that civilisation had advanced, and was of a higher order than that of Babylon or Rome. Their decline was coeval with that of overland trade as a main division of commerce. Land carriage was slow, limited, difficult, and costly, and enriched only the cities lying in its direct route, and was more or less abandoned as soon as the new ocean traffic with India and the New World began.

PART III.

MODERN COMMERCE.

CHAPTER I.

PORTUGAL.

THE results of the vast maritime discoveries of the fifteenth century were scarcely greater to the new countries than the old. Indian commerce was changed in course and enlarged in area. Industry was stimulated in the East, and colonies were formed and peopled by races more robust than the native inhabitants. During the reign of Emanuel the Fortunate (1495—1521) Portugal enjoyed its maximum wealth and greatness, and for a while Lisbon remained the great European emporium of Indian goods. Its warehouses were filled with commodities exceeding both in variety and in amount those formerly brought to Europe by way of Suez and the Mediterranean, comprising Indian stuffs, silks, cotton, spices and pearls, ivory and gold dust, sugar from St. Thomas, wine from Madeira, salt, and southern fruits. Dutch, German, and English merchants made it their rendezvous, and took away costly freights. The spiceries for Antwerp alone, then the great market of the North, were of the annual value of two million crowns. Portugal confined its active commerce to India; the distribution of Indian commodities throughout Europe was conducted by other commercial states. The Portuguese regarded this

distribution as the least profitable branch of commerce, and while in the zenith of their wealth and power, could afford to treat it with neglect.

The basis of the authority of the Portuguese, who were the first Europeans that obtained dominion in India, was laid by the viceroy Francesco d'Almeida, who, from 1505 to 1509, established many agencies and colonies, and increased the Portuguese trade enormously. Among his principal conquests was that of the ancient island of Taprobane, known in modern times as Ceylon. In the last year of Almeida's government, the combined fleets of Venice and Egypt, fearing the diversion of trade, had been despatched from Suez to crush the Portuguese, whom they nearly overpowered. The viceroy proved equal to the occasion, for, gathering his forces, he suddenly attacked the allies and swept their ships from the sea. Alphonso d'Albuquerque, who succeeded Almeida, completely established the supremacy of the Portuguese. He took Goa by assault from the ruler of the Deccan, and struck by its salubrity and fertility, he made it his residence and the head-quarters of the Portuguese trade. His enterprise carried him to Eastern India, where he took Malacca in 1511 with a great booty, occupied the Moluccas, and brought the neighbouring states into subjection. Malacca stood then in the same relation to commerce that Singapore stands now; it was an entrepot of maritime trade, where ships from the eastern and western confines of the old continent met. The influence of the Portuguese was now felt from Cape Comorin to China, and especially in the great peninsula of Hindostan, an area nearly thirty times larger than that of their own kingdom, with a population of one hundred and fifty millions. Albuquerque turned his arms towards Ormuz, an island at the mouth of the Persian Gulf, and the depot of the Arab merchants. He had, under Almeida, unsuccessfully attacked this stronghold, but now its spiritless prince succumbed at once, and western

India from Ormuz to Ceylon owned the sway of Portugal. Embassies from all sides waited on the viceroy at Goa, and Portuguese power reached its climax.

For the greater part of a century his country wielded the power he bequeathed. Portuguese vessels alone were allowed in the Indian Ocean. Even when leave was granted to a foreign ship, no trade was permitted in spices, metals, and arms. Every year a merchant fleet, convoyed by vessels of war, left Lisbon for Goa, taking a year and a half or two years, for the voyage out and home. Ancient fears still induced them to make long and dangerous coasting voyages round Africa, the only open-sea navigation being from their station at Mozambique, whence they could glide before the monsoons. The frequent loss of vessels upon sunken reefs or shoals came to be regarded as unavoidable in these perilous enterprises.

Intercourse with the Chinese was commenced in the year 1518, when an embassy sent to their empire had the good fortune to drive off a pirate from the shores, and in consequence was received with favour, and rewarded with the town of Macao as a settlement. Japan was discovered in 1542, by the accidental drifting of a vessel to its shores. The Portuguese soon acquired an ascendancy over the petty princes who then governed the islands, and laid the foundations of a profitable commerce.

Succeeding rulers of the settlements in India suffered the prestige of Portugal to decline. The natives reasserted their rights and drove the invaders away. Ludovico d'Ataïda defended Goa when destruction seemed imminent, and preserved for a time the Portuguese possessions. After his death in 1581, factions and revolts, neglect of discipline and defence, persecution and intolerance under the name of religion, led to the rapid decay of Portuguese power.

The royal line died out in 1580, when the power of Philip II. of Spain enabled him to unite the two countries. During sixty years of enforced union (1580—

1640) the Spanish ports drew off the trade of Lisbon, and Portugal was involved in the war with the Netherlands. The Low Countries were shut out from the Peninsular markets, and they in retaliation attacked the Indian colonies. In 1602 a Dutch East India Company was established, whose fleet eventually left the Portuguese in possession of only two small stations, Goa in Hindostan, and Macao in China. Its success led to the formation of a West Indian Company, which in like manner deprived Portugal of Brazil.

When the Portuguese regained their independence, they called to the throne a prince of the ancient house of Braganza, who founded the present dynasty, but their power and prestige were much diminished. The government courted an alliance with England by offering valuable privileges of trade, with the ulterior view of obtaining aid against any further aggressions on the part of Spain. Very few references are subsequently made to the trade and industry of the kingdom till the latter half of the eighteenth century.

The debased condition of the Portuguese, far more than the strength of their Dutch rivals, was the cause of their loss of empire. The regulations in force for the government of the colonies seem to have been devised to effect their ruin! There was a triennial change of officers. The three regencies of Monomotapa, the Indies and Malacca, were administered by viceroys, having no relation with each other, and no common interest; yet severally bound by the petty and absurd restrictions of a government thousands of miles away. Each officer's interest was wholly selfish, he strove to get all he could, and to keep all he got, careless of the people he robbed, and equally so of the interests of the mother-country. It was a form of government adapted to enrich individuals, but to impoverish the kingdom.

The King of Portugal reserved to himself the commerce of all the countries between Portugal and Ormuz, and again of the whole region eastward of the Ganges, leaving to his

subjects a free trade with Hindostan only. He granted as a reward for services rendered to him, monopolies by which individuals were permitted to fit out one or more merchantships for a single voyage to India, and these privileges were usually sold again. The spirit in which such enterprises were undertaken was not that of just and permanent trade, but the simple desire of making the utmost gain out of each separate venture. Neither the rulers in India nor the merchants hesitated at rapine and fraud. The contemporaneous discoveries in the New World embarrassed the Portuguese, who feared that in confining themselves to the East, they were giving Spain an advantage, and losing richer plunder in the West. Portugal was demoralised. Bigotry had driven away the skilful and industrious, while ruinous restrictive laws were obstinately persisted in, to the destruction of domestic enterprise. As in Spain, it was an offence punishable with death to export the precious metals; a law which did not stop the outflow, but led to an illegal trade. While gold and silver abounded in Amsterdam, and there was scarcely a European state which did not increase in wealth, the possessors of the trade with India, like the conquerors of Peru and Mexico, were so troubled for want of money, that they had to resort to a great issue of copper coinage. The Portuguese retook Brazil in 1654, and the Dutch connection with it ceased a few years after. The Dutch, however, had previously effected the settlement of Cape Colony, then nominally in the hands of the Portuguese.

The Portuguese passively looked on while foreigners conducted their trade, neither availing themselves of the profit of the maritime transport, nor of the impetus that might have been given to their own languishing industries. England, by her alliances with Portugal, secured almost a monopoly of Portuguese commerce. Brazil was found to be so well adapted for the cultivation of the sugarcane, that the chief supply came thence for European con-

sumption. Its economic produce has ever been increasing. Diamonds of the gross weight of nearly one ton, and seven hundred tons of gold, had by the beginning of the nineteenth century come nominally into the hands of the Portuguese, but more truly of the English.

The Marquis de Pombal, by his wise statesmanship from 1750 to 1777, restored to Portugal a portion of its renown. He tried to render his country more self-dependent, and partially succeeded. Under his administration agricultural and manufacturing industry and commerce revived, while the preponderating influence of England was lessened. He diverted some part of the Portuguese trade to France, which, next to England and Brazil, is still the best customer of Portugal, though interchange is limited by the similarity of natural produce. One great benefit which Pombal conferred upon his country was the development of the wine and fruit trade, which he could not, however, help from falling into English hands. He projected the great Oporto Wine Company, which produced the famous port wine, on a strip of land four miles and a half long by one mile broad, lying on the Upper Douro, and purchased by the company in 1756. Monopoly has nevertheless fettered the wine industry in Portugal, and the cultivators of the vine are bound by so many fiscal restrictions, that they can hardly enjoy the sense of ownership in their own property. Still this industry has been from the time of Pombal the mainstay of Portugal as a commercial state. Holland and Germany differing more than France from Portugal in climate and natural resources, sought its native and colonial produce, especially sugar, tobacco, hides, and dyewoods, both for their own consumption and for farther distribution in the north-eastern states of Europe, offering in exchange their own linen and flax, grain and timber, butter and salted fish. During the American War, this commerce was particularly active. Pombal was unable to stimulate any considerable maritime traffic; yet he gave a direction to the national

energy, the effects of which were afterwards seen. Two Portuguese vessels passed through the Sound in 1772, and twenty-one passed in 1779. The national traits were, unhappily, too deeply rooted for one man or one generation to remedy.

To this day the Portuguese afford an emphatic lesson against the misuse of the blessings of wealth. Their agriculture and manufactures are at the lowest ebb; Lisbon and Oporto are the only two large towns in the kingdom; and travelling is so bad, that even between these places there has, until within a very recent date, been no continuous highway.

CHAPTER II.

SPAIN.

AMERICA received its appellation from the geographer, Amerigo Vespucci, a Florentine, who in 1499, in company with the Spaniard Alonzo de Ojeda, one of the companions of Columbus, made a voyage across the Atlantic, and published an account of his travels. In this work he claimed to have been the first to see the mainland, and with little modesty named it after himself. Every successive voyage extended the range of discovery; Yucatan, in 1507, the year in which Columbus died, and Florida in 1512, were added to the Spanish possessions. Nunez de Balboa in 1513 crossed the isthmus of Darien, and was the first European to behold the great Pacific Ocean. There was no longer any question that a large country had been discovered, separated by an unknown distance from the true Indies. Cabral's discovery of Brazil, and the discovery, in 1515, of the Rio de la Plata, forced upon men's minds the fact that the earth had doubled its dimensions, and that a new world had been found, with "rivers and mountains and treasures of gold and silver of greater magnitude than those of the old."

The natives of these countries were of a race unknown. Their complexion was copper-coloured, and they had lank dark hair, but no beard. They were cruel to their enemies, but affectionate towards their friends; very brave, and holding death in contempt. The islands were peopled by a variety of the same race, of feebler build, and of wilder manners. Cortez found in Mexico, and Pizarro in Chili and Peru, a regular form of government, and advanced civilisation.

For a long while the Canary Islands were of greater commercial value to Spain than the new continent, except in the single item of the precious metals. Sugar and Madeira wine supplied not only the wants of Spain, but the mart at Antwerp for the northern states of Europe. Considerable fisheries were also prosecuted. Eventually these sources of wealth were disdained, and exclusive attention was given to the gold and silver mines of America. Coin, as the medium of exchange, became more abundant than ever, while its purchasing value was diminished. The necessities of life rose in price, first in Spain and afterwards throughout Europe. The glory and the shame of Spain are both associated with the period when a "New World" was the appanage of a European peninsula.

After the third voyage of Columbus, the king obtained a bull from the Pope, granting him all lands west of a certain meridian in the Atlantic; the Portuguese having already a like grant of possession for their discoveries to the east of the same line. Thus these nations divided the world, and this grant from the Pope, contrary to every principle of natural right, resulted in wars of extermination, which were carried on against the native population of the newly discovered countries. In the confirmed belief of the earth's sphericity, Magellan was sent out with five ships to seek a westerly passage to that favoured region, and to enforce the Spanish right. He perished in a conflict with the natives of the Philippines, but his companions completed the circumnavigation of the earth, returning by way of the Cape, after an absence of rather more than three years.

From 1532 to 1586 the Spaniards spread over the region of Terra Firma, comprising the states now called New Granada, Venezuela, and Guiana, inhabited by the less civilised tribes. At first conquests were entered upon with a missionary zeal; and later, a pretence of religion was used as a plea for the most atrocious cruelties. The red men met the Spaniards with the reverence due to superior

beings. They brought gold and silver ornaments as presents to appease their mighty guests, whose cupidity was insatiable. Temples were stripped of treasure in the name of the Holy Church ; while the whip, the rack, the faggot, and the bloodhound were used as instruments in the conversion of the natives to Christianity !

The aborigines of Cuba and St. Domingo died out in a few years. In the first half-century of Spanish domination it is computed that they had diminished by ten or twelve millions. This terrible mortality was due, in the first period of conquest, to the employment of the natives in the mines and on the plantations, labours for which their feeble constitutions totally unfitted them. "They who died not under the lash in a tropical sun, died in the darkness of the mine. From sequestered banks where the red flamingo fishes in the grey of morning, from fever-stricken mangrove thickets and the gloom of impenetrable forests, from hiding-places in the clefts of the rocks and the solitude of invisible caves, from the eternal snows of the Andes, where there was no witness but the all-seeing sun, there went up to God a cry of human despair. Spain even destroyed races more civilised than herself. From Mexico and Peru, a civilisation which might have instructed Europe was crushed out."*

Thus these gentle Indians were the antitypes of the poor aborigines whom the ancient Phœnicians and Carthaginians forced to toil in the mines of Spain. Las Casas, grieving at the rapid diminution of the Indians, proposed the employment of the strong negroes from the Portuguese possessions in Africa, and thus, from feelings of humanity, arose the infamous slave-trade.

The conquest of Mexico by Fernando Cortez was marked by the grossest inhumanity. He landed at Tabasco in 1519 with six hundred and seventeen followers, and in the course of three years he not only plundered the imperial treasury

* "History of the Intellectual Development of Europe," by John W. Draper, M.D., LL.D., vol. ii. pp. 161, 162.

of all its stores, and the Mexicans of everything they possessed of value, but he caused Montezuma, their sovereign, to be murdered by one of his own subjects; stretched the next monarch on burning coals in order to make him disclose the hiding-place of his wealth, and afterwards executed him on a gibbet.

The conquest of Peru was signalised by even greater atrocities. In 1524 a body of two hundred and fifty foot, with sixty horse, led by Diego d'Almagro and Francisco Pizarro, invaded Peru. They found the country flourishing under the rule of an ancient race of native kings called Incas. Atahualpa, the reigning Inca, was required to surrender his crown and to be baptized, and upon his hesitation was seized as a prisoner, while five thousand of his subjects were slaughtered before his eyes. The unhappy monarch then went through the mockery of a trial for concealing his treasures, and was publicly strangled, while an enormous amount of gold and jewels became the prey of the invaders.

In 1532 the silver mines of Zacatecas in Mexico were discovered. Those of Potosi in Upper Peru were not worked until 1545, when an Indian in pursuit of a llama on the steep side of the Cerro or cone caught hold of a shrub to save himself from falling, and thus exposed a mass of solid silver.*

Colonies sprang into existence with marvellous rapidity. The court of Spain provided for the government of these new possessions by a Council of the Indies, meeting at Madrid, which under the king's authority appointed viceroys of Mexico, Peru, and Terra Firma. Every acquisition was made the property of the king, who claimed a royalty which varied between twenty and five per cent. on all the gold and silver raised. An ecclesiastical council, subordinate to the king, controlled religious affairs. In many places the settle-

* The whole elevation of fifteen thousand nine hundred and eighty-one feet seems to consist of ore of this metal.

ments grew to considerable towns. Vera Cruz was founded by Cortez in 1519, and Cumana in 1520. Puerto Bello arose in 1532, Valencia in 1555, Caraccas in 1567. Of minor note were Acapulco, Lima, Panama, La Concepcion, and Buenos Ayres.

America was less a trading than a mining possession of Spain. Extensive as the new territories were, occupying more than half of South America besides Mexico and the West Indies, we may well doubt whether they were a real benefit to the mother-country. The rich mines of the New World led Spain to neglect her own. While Ferdinand and Isabella lived, the useful plants and chief domestic animals of the Old World were introduced into America, and Spain received in exchange cochineal, indigo, cacao (cocoa or chocolate), tobacco, cinchona, quinine (Peruvian or Jesuit's bark), vanilla, logwood, sugar, and hides. A short-sighted and selfish policy, however, led to ruin. The natives were systematically crushed; mulattoes and mestizos sprung of Spanish parentage were excluded from posts of trust. Only Spaniards sent out by the council could exercise authority, and these were not allowed while in office to settle in the country. Creoles of white parentage, but born and brought up in the country, could not administer any department of government, although equally with the Chapetons or New-comers they composed the noble caste of Blancos. The mixed and native races were degraded to one mode of occupation from which there was no escape. They were not permitted to spin, weave, dye, or tan leather, but were compelled to buy without choice clothes imported from Spain. Except in Peru and Chili, the olive and vine cultivation was suppressed, and in these provinces it was made penal to dispose of wine and oil. Spain kept all the traffic to herself, jealously excluding foreigners from her ports. Seville first, and afterwards Cadiz, were the harbours to which the colonial trade was confined.

Two royal squadrons, known respectively as the galleons

of twelve ships and the fleet of fifteen ships, sailed once a year, or once in two years, between Spain and America; the commerce with South America being conducted by the galleons, and that with New Spain or Mexico by the fleet. The port of the galleons was Puerto Bello, of the fleet Vera Cruz. In the reign of Philip II. the number of vessels was increased to sixty or seventy in the fleet which traded with Mexico, and about forty in that which traded with Peru. These were all armed and protected by a convoy of men of war. Puerto Bello was a pestilential mangrove swamp inhabited only when the galleons were due. Peruvian and Chilian produce was brought by the Pacific to Panama and transferred overland to the port. The markets lasted forty days, the intervening time being a period of silence and desolation. The operations of the fleet at Vera Cruz were conducted under like regulations; a few vessels meanwhile traded with the islands. Colonial produce as well as gold and silver was bartered for Spanish manufactures. Values were settled by the admirals and the colonial governors, the first being satisfied with a profit of from one hundred to three hundred per cent.; but the second, having the subsequent distribution of the commodities and the power of compelling the natives to purchase, were only limited in their profits by the amount which it was possible to wring from their victims. Subordinate officers determined the nature, quantity, and price of goods for the Indians of the various districts, and thus carried out to the uttermost the system of extortion.

Scherer's graphic pen thus depicts Spanish fraud in these transactions or *repartimientos*:—"The unfortunate natives were obliged to buy things though entirely ignorant of their use. Their tyrants refused to take anything back. Men who could scarcely gain a livelihood for their families were compelled, in derision of their poverty, to dress in silk and velvet, and to adorn with mirrors the naked walls of their dilapidated huts. Having no beards, the Indians were made

to buy razors. They had never used tobacco, but snuff-boxes were indispensable. Laces, ribbons, buttons, books, and a thousand utterly worthless objects, as far as the natives were concerned, were thrust upon them. Above all, they could not escape brandy, which although at first they refused to taste, they were obliged to buy at an enormous price. After being compelled to purchase all these useless things, they were allowed to buy what they wanted—cloth, linen, and tools, at a cost always equal to three or four times their value."

Spain grew so eager for the precious metals, that at length no attention was given to any active commerce beyond that of the mother-country and her colonies. A considerable trade was consequently carried on by the northern nations, especially by the Netherlanders, then subject to the Spanish crown. Dutch vessels carried grain, butter, ship-timber, pitch, tar, and hemp; and Flemish ships from Antwerp carried the manufactures of Flanders to the Spanish ports of Cadiz, Seville, and St. Lucar, taking in exchange gold and silver, tropical fruits, wine, wool, and silk-stuffs. As soon as the Portuguese secured the East Indian commerce, a considerable interchange took place between them and the Spaniards.

From the year 1516 to 1566, Spain was governed by Charles V., a monarch acute enough to see the invaluable importance of trade to his subjects, and anxious to promote it by legislation. He furthered every form of domestic industry as far as the narrow views then prevalent and his incessant wars permitted. His efforts had but little effect, for commerce continued in foreign hands. The complete decay of Spanish trade did not occur in the reign of this king. In 1552, Segovia still employed thirteen thousand men in the woollen manufacture. Granada and Andalusia possessed factories of damask and silk. Paper was made at Cuença, and arms in the cities of north-western Spain. The Moors, who still lived in the country to the number of a

million, excelled the Spaniards in every branch of art and manufacture. Barcelona was the manufacturing centre for cutlery and fire-arms for the Spanish adventurers, yet its business never attained to the magnitude of its mediæval days.

In 1566 Philip II. succeeded to the mighty empire of Charles. In the exultant language commemorated on a medal, when Charles retired into a monastery that "Atlas might at length have rest," he was described as "Philip of Austria, the emperor's son, a new hope of the country, the love and joy of the human race." Resplendent on the surface, his glory was hollow. Morose and pitiless, he made liberty of opinion a crime. The races under his rule, differing in lineage, in temperament, in pursuits, and widely severed as to locality, were restrained from passing the narrow and shallow convictions of the royal mind, in the whole compass of church and state. The Inquisition had just been established. Its cruel powers were nominally directed against the Jews, but were applied against every species of nonconformity, which was deemed an evil of supreme magnitude. His father's government of the Netherlands had been one long conflict on points of faith and finance, and Philip despatched the Duke of Alva to put an end to disaffection and difference of opinion by fire and sword. He, however, misjudged the power of endurance of the Dutch, with whom the war lasted sixty years.

The Spaniards believed that "the whole earth trembled when Spain was angry;" nevertheless, Philip's armies in the Netherlands drained his coffers faster than they were replenished from the mines of America. Agriculture and industry languished. Commerce was crippled by excessive dues, under the idea of adding to the revenue. The profits of trade, which, under wiser regulations, might have been the main reliance of the government, were diverted to the benefit of English and Dutch smugglers, who swarmed

around the Spanish colonies and the mother-country with a strength and daring too great to be withstood, even if the inhabitants had not connived at their illicit trade. Between buccaneering and smuggling the distinction was not always kept clear. Philip reaped the fruits of the hostility he had called forth by his attempts upon England and Holland, and Castilian mariners helped to man the privateers which attacked his galleons and his foreign settlements.

Spain had colonised the large islands of Cuba, Hayti, Jamaica, and Porto Rico, but had neglected the smaller islands, which were thereupon resorted to by the buccaneers, who issued from these secure retreats, and harassed the Spaniards and their commerce for nearly two hundred years. For these indignities and injuries Spain could get neither sympathy nor reparation from the states of which the buccaneers were subjects, on account of the obstinacy with which she opposed the settlement of any foreign colony even on the unoccupied islands, and excluded the European states from American commerce.

Spanish pretensions founded upon the pope's bull roused every nation to hostility. Her richly-laden galleons wherever found were made prizes, and the cities of the New World were captured and held to ransom by swarms of pirates. Thousands of privateers were built in Holland. The haughty claim of Spain to the seas was scornfully denied. The assailed became the assailants. The Dutch attacked Lisbon in 1589, and, with still greater daring, Cadiz in 1596. The baffled and humiliated Philip sank into the grave in 1598, bequeathing a legacy of bigotry to his son, the third of his name, who improved upon his father's fatuity. One of his measures was to expel the remnant of the Moors who remained in Spain after the conquest of Granada. The Moriscos, to the number of eight hundred thousand, transferred their ingenuity to Morocco, where their descendants still remain. The manufactured produce of England and Holland had become so necessary that even Philip II.,

during the wars with the Netherlands, had been obliged to connive at the infraction of his own decrees. Philip III. insanely closed the Spanish harbours and deliberately put an end to trade, and thus completed the ruin which his father had failed to effect.

The decadence of Spain was as rapid as of Portugal. For this fall their respective governments were much to blame. The people had become possessed of an unearned fortune, and knew not how to use it wisely. Pride and avarice dominated over every other national trait. When the two kingdoms were united, the rage for gold and silver, common to both, overpowered all other considerations. Home industries were utterly neglected, and the very necessities of life had to be imported in exchange for the precious metals. Labour was contemned when fortunes could be made at a stroke. Noblemen who engaged in trade forfeited the privileges of their rank, and became plebeians, and plebeians were crushed by fiscal burdens.

A bigoted infatuation turned the beautiful mountains and fertile valleys of Granada into a desert (1492), by the extermination of the Moors. A revengeful pride cost Spain an Invincible Armada (1588). Tyranny loosened the loyalty of the colonies, and intolerance, both religious and political, lost her the Netherlands. More gold and silver came into Spain in one generation than had been accumulated in all the previous ages of history; yet the country became burdened with debt. The precious metals enriched not Spain, but the countries of Europe, upon whom, through her own profusion, indolence, and pride, she was dependent for the necessities and comforts of life. So rapidly did Spain decline, that barely a century after her American empire was established, though possessing the finest coast and harbours, the richest soil, and the most beautiful climate in Europe, she sank into a state of poverty, ignorance, and helplessness, only to be equalled in the sister-kingdom of Portugal. Before twenty years of the seventeenth century had gone

by, the peasantry were reduced to half their former number, and oxen and sheep to a third of the previous stock. Spain retained the Philippine Islands, which, with Cuba in the West Indies, were now her most valuable possessions, and which led to the establishment of a line of galleons between the two Indies, the respective ports of which were Acapulco and Manilla.

As the population of Spain decreased, the industrial produce gradually diminished, and the want of native commodities finally led to the loss of even her own colonial commerce. Merino wool was highly valued throughout Europe, but Spain imported the cloth woven from the fleece which she had supplied. Mexico and Peru sent continually increasing treasures, but only to be used in purchasing the necessaries of life, or to meet the expenses of the wars with France. Agriculture suffered from mischievous legislation. A strict system of entail kept the land in the hands of the nobility, the church, and the great corporations. A company of sheep-farmers of high rank, called the Mesta, founded in 1556, contrived in the course of time to obtain rights of pasturage over the whole of Spain, with power to convert the arable lands into pasture. Under certain limitations they claimed through any farm a right of way two hundred and forty feet wide, at certain seasons, for their flocks to and from the uplands and winter pastures. This monopoly, which necessarily included that of wool, checked for generations all improvement in agriculture.

Profitless husbandry accompanied neglected roads and impoverished markets; great tracts became sterile, and the wasteful felling of forests—cut down, it is said, out of hatred to the Moors who planted them—led to scarcity of timber. The quicksilver, copper, and lead mines fell off for want of labour. The whirr of ten thousand looms might once have been heard in many of the Moorish cities; at last there

were not so many to be found in the whole peninsula. Seville, which contained thirteen thousand weavers of silk and wool at the beginning of Philip II.'s reign, now possessed but three or four hundred looms. A toll, amounting in 1720 to five per cent. of its value, was exacted from the seller of any commodity whatever in any part of the country, and this, added to heavy customs duties, drove away the last vestige of lawful traffic.

Brighter prospects smiled upon Spain at intervals during the eighteenth century. Charles II., the last sovereign of the Austrian line, had died, and the War of Succession, which lasted from 1700 to 1713, ended in a change of dynasty. Philip Duke of Anjou, grandson of Louis XIV., ascended the throne, and established the line of Bourbon princes. Misrule, however, had become so inveterate, and vested interests so powerful, that the government could only mitigate, not remove, the great evils under which the kingdom suffered. Monopolies were brought under less hurtful rules, and efforts were again made to extend foreign commerce. Attention was turned to the other natural resources of America besides its precious metals. "Terra Firma" was occupied and cultivated by the Caraccas Company in 1728, under royal auspices. Cadiz, being better situated, was chosen in preference to Seville, as the depot for colonial goods.

Up to the year 1740, the prescribed number of twenty-seven galleons and twenty-three ships sailed annually from the harbour of Cadiz, which possessed exclusive privileges in the colonial trade. The advance of liberal legislation will be seen in an interesting manner by a comparison of dates:—

- 1740. Registered ships from other ports allowed to purchase a license for unrestricted trade with the West Indies.
- 1748. Privilege of license revoked, owing to abuses or supposed abuses. Rights of Cadiz alone reserved.
- 1769. License granted again to every Spanish harbour, of free trade between the Spanish West India Islands and the mother-country.
- 1770. License extended to Louisiana.

1776. License extended to Yucatan and Mexico.

1778. License extended to Pera, Chili, and Buenos Ayres ; and afterwards to New Granada and Guatemala.

Manufactures benefited by the encouragement given to commerce :

1772. The cotton trade was declared free.

1774. Right to import West India produce, duty free, granted to various Spanish ports.

The cotton mills of Catalonia, the chief seat of textile industry, once again grew active. New manufactures of silk, woollen, cotton, hats, carpets, porcelain, glass, and ironware, became the object of government solicitude.

Internal communication was improved by Ferdinand II. and Charles III., who caused new highways and canals to be constructed to facilitate the transport of goods. German families were invited to colonise the Sierra Morena and establish model farms, in order that the Spanish husbandmen might acquire better methods of tillage, and learn the use of improved agricultural implements. Descendants from these German farmers are to the present day tillers of this mountain ridge. Madder, hemp, and other new substances were introduced, and the prohibition of the export of grain was removed. This prohibition, instead of keeping more corn in the country, as was originally intended, had actually reduced the quantity of corn, by taking away from the growers an inducement to its cultivation, in the chance of profiting by its sale abroad. A more prosperous condition began to be visible in Spain. Corn had still to be imported from the Netherlands and Sicily, and foreign products could not at once be replaced by those of home growth ; but the exports of native produce had considerably increased. Bilboa, San Sebastian, and Seville were the chief places of export, next to Cadiz, which still ranked as the first of Spanish ports.

French trade with Spain increased under the Bourbons, and the Dutch trade proportionally declined. French silks,

cloths, and linens of the aggregate value of eighteen million piastres, were annually exchanged at Cadiz for colonial produce. The intimate connection which existed between Holland and Spain while united under one monarchy, was now superseded by the dynastic ties which bound France and Spain. The Hanse Towns also competed with Holland to supply Spain with the productions of Northern Europe.

In 1713 England concluded the Asiento Treaty with Spain, and obtained the privilege of taking a yearly cargo of negro slaves to Puerto Bello. Under cover of this arrangement, smuggling by the English, French, and Dutch was carried on to a degree so detrimental to Spanish commerce, that the government would not, at the end of the stipulated term in 1748, renew the treaty.

The subjoined table shows the commercial changes that occurred, and how seriously Spanish trade declined from 1734 to 1759 :—

Ships entering the port of Cadiz.						1734.	1759.
English	.	.	.	.	.	596	114
French	.	.	.	.	.	228	19
Dutch .	.	.	.	.	.	147	115
Total . . .						971	248

From 1759 to 1788, there ruled over Spain a prince who, though hindered by wars, and unsuccessful in much that he attempted, is yet remembered with pride and affection, as a benefactor to his country. Charles III. possessed a considerable capacity for government, and a power of penetration into character, which enabled him to surround himself with wise and able ministers. The confusion in which he found the finances of the kingdom caused him to contrive a new system for the collection of the colonial tribute. This change was met by determined opposition from the colonists and allowed to drop. The precedent weakened the bond

between the colonies and Spain, and was the origin of frequent insurrections. The most formidable of these was that of Jupac Amaru in the year 1780. He claimed to belong to the line of Incas, or ancient kings of Peru, whose style and dignity he assumed. The immediate cause of the revolt was an attempt of the Spaniards—scandalous even for them—to force upon the Peruvians *repartimientos* not authorised by the law. To the standard of their chief flocked sixty thousand men, and the revolt was not subdued till a third of the Peruvians had perished.

England excited the hatred of Charles III., who could not endure her possession of Gibraltar, Minorca, Florida, and Jamaica. During five years Charles carried on at an enormous cost a conflict for the recovery of these places, but without success, except in the case of Minorca. He abetted likewise the rebellion of the English North American provinces.

Peace was concluded in 1783, and the industrial arts revived. Canals were opened, roads improved, and post-offices and post-chaises brought into use; the Bank of St. Carlo was instituted, and happy results soon became visible. In 1785, native produce to the value of 337,266,601 reals, equal to £6,500,000 sterling, and foreign goods worth 429,982,185 reals, were shipped in Spanish vessels to South America. English, French, Germans, Dutch, Danes, and Swedes, participated in the foreign trade. Spain tried to open up a traffic with Russia, and while only two Spanish ships passed the Sound in 1772, the number had increased to eight in 1779, and to twenty-eight in 1791. Before the close of the century Spain once more possessed a navy.

It was still computed that two hundred thousand acres of good arable land had gone out of cultivation, and as much more was left in a state of nature by the monks who were its owners. Towns were depopulated that once teemed with inhabitants. Estremadura and the two Castiles were the feeding grounds of four millions of sheep,

and thus were lost to tillage. The vested interests of the Mesta gave them authority over every acre once reduced to pasture. Such land could never afterwards be ploughed without the sanction of this powerful body, and the payment of a fine fixed by themselves. As manufacturing industry advanced, agriculture relatively fell back, especially in the interior. The sheep consumed the Spaniards, and not the Spaniards the sheep. Valencia alone could show profitable cultivation of the ground.

CHAPTER III.

THE NETHERLANDS:—ANTWERP AND AMSTERDAM.

I.—ANTWERP.

WHILE the Netherlands formed a part of the Spanish monarchy, the distinction between the North and South provinces was less political than one of race, the majority of the inhabitants belonging to the Teutonic family; the Reformation, however, divided them into two hostile camps, and the difference of their creed caused that of their subsequent fortunes. Antwerp, the most prosperous of all the Flemish cities, was at its highest pitch of greatness when it shared through Lisbon the commerce of the East Indies. It almost monopolized this trade, distributing from its capacious quays the Indian goods demanded by the European markets, for Lisbon was content with its own trade as an emporium, and favoured Antwerp because it was a city under the same government. Easy conditions of citizenship, and light customs, brought a rapid influx of strangers. The population in the time of Charles V. exceeded one hundred thousand, and when despoiled by Philip II. it had almost reached a quarter of a million. New citizens brought fresh capital, and increased capacities for trade. The Fuggers and Welsers of Augsburg removed to this city, as well as the renowned house of Spinoza, and other eminent traders of Genoa and Lucca. Even Turkish merchants brought Oriental goods by way of Marseilles, overland to Bordeaux, and thence by ship to Antwerp. English, French, and German artisans, fleeing from persecution, found here liberty to enjoy their religious convictions.

Manufactories of wool, linen, tapestry, fustians, silks, and carpets flourished ; the tan-yards and sugar refineries were the largest in Europe. Its glass manufactures rivalled those of Venice. Arms of every kind, silver, gold, bronze, and other metal-work and gilding, were superior to anything of the kind produced elsewhere. Navigation, with its many attendant callings, employed a multitude of people. One company of merchant adventurers employed thirty thousand men in Antwerp, besides twenty thousand others in various parts of the Low Countries. The harbour was often crowded with from two thousand to three thousand ships at once, and five hundred vessels sometimes entered and left in a single day. The freights of these vessels required ten thousand waggons, besides barges, for conveying the goods to the warehouses, and into the interior. English cloths and fabrics were imported into Antwerp to the yearly extent of two hundred thousand bales. Low as were the excise and customs dues and the market-tolls, they yielded an annual revenue of nearly two million guilders. When the Portuguese vessels traded directly with India, the commodities in which they dealt were no longer confined to spices, silks, and precious stones, of high value and small bulk, as in the time of the caravan trade, but included cotton, rice, sugar, and other heavy cargoes. To these were afterwards added the riches of the West Indies.

Antwerp, as the great European exchange, was the outlet of the industrial produce of the towns of the South Netherlands. Mechlin, Courtray, Brussels, Louvaine, Ghent, were renowned in the sixteenth century for their carpets, leather, and hardware ; for cloth, manufactured from Spanish and English wool ; for linen, woven from the excellent and abundant flax of Flanders, and for costly lace. Brussels harness was especially good. It was, however, as an emporium that the great wealth of Antwerp accrued. Little of the multifarious produce filling its warehouses remained in the country, except Italian silk, and Spanish and English

wool. Spices were exchanged for the productions of Germany and the North, and these again were exchanged for the products of the industrial nations of the South and West. The propriety of the term "World's Emporium" will be seen from the annexed summary of the trade of Antwerp :—

Commercial states
for which Ant-
werp was the
emporium.

Nature of commod'ies obtained from each.

- SPAIN . . . Precious stones, pearls, gold and silver in great quantities, iron, cochineal, saffron, raw and spun silk, silk stuffs, velvet, fine wool, and line leathers; salt, alum, cream of tartar, soap, wine, vinegar, oil, honey, sugar from the Canaries, and treacle.
- PORTUGAL . . . Precious stones, pearls, gold, Indian spices (worth 1,000,000 crowns annually), ivory, cinchona or Peruvian bark, sugar from St. Thomas, Campeachy wood, Brazil wood.
- ITALY . . . Raw silks, silk fabrics, gold and silver stuffs, Parmesan cheese, Lombardy rice, Levant produce (sponges, fruits, drugs), Indian produce (spices, sugar, cotton, cinnamon).
- FRANCE . . . Principally salt, wood, paper, silk, and other fine stuffs; copperas, gilded wares, and wines.
- ENGLAND . . . Iron and lead; wool, woollen fabrics, fringes, furs, sheep-skins, and rabbit-skins; beer, cheese, and other provisions; saffron and malmsey from Candia.
- SCOTLAND . . . Leather, wool, coarse cloth, and inferior pearls.
- IRELAND . . . Hides, leather, and coarse woollens.
- GERMANY . . . Silver, quicksilver, copper, hardware, and glass; wool (from Hesse), fustian, wood; madder, and other dye-stuffs, furniture, and Rhenish wine.
- DENMARK . } Iron, copper, saltpetre, sulphur, potash, vitriol, and
NORWAY . } amber; timber, pitch, tar, and other forest products;
SWEDEN . } wool and flax, fish, honey, wax, hides, and leather.
- BARBARY . . . Leather and ostrich feathers.

It was this hive of industry and scene of prosperity that the cold and gloomy Philip of Spain gave up to carnage rather than suffer the citizens to differ from him in opinion, or obtain municipal freedom. He determined to put an end

to altercations concerning creeds, by force of arms. The Duke of Alva was made governor of the Netherlands, and during the five dreadful years of his sanguinary rule, one hundred thousand Dutch and Flemish exiles fled from their native land, and eighteen thousand perished by decree of the "Council of Troubles." A breach of the Act of Uniformity caused a man to be consigned to the axe, a woman to the stake. Informers were rewarded with half the property of their victims. The provinces were for a long time prostrate before the Spanish general, whose soldiers filled the cities of Flanders and Brabant with blood. On the 5th April, 1566, a National Remonstrance had been presented to the Viceroy at Brussels. The crowd of associates, in order to avoid any commotion, went on foot with their petition. This circumstance elicited the fatal ejaculation from a haughty Spaniard: "There can be nothing to fear from a troop of beggars." His words reached the ears of the crowd, and "*Vivent les gueux!*" ("Long live the beggars!") was the immediate response, a phrase which afterwards became a national cry. When, in 1570, Alva stated his intention to levy taxes by power of the crown, without the consent of the states, the Dutch were still more incited to resistance. Pirate ships, manned by fugitives calling themselves "Beggars of the Sea," preyed upon the Spanish marine, and grew rich with spoil. As their vessels increased in number, the "Beggars of the Sea," animated by the deadliest hatred against Philip, deprived him both of his ships and colonies. Enraged at his losses, Philip prepared an armada of three hundred ships of war with which to crush the Netherlands once and for ever. A pestilence seized the fleet when ready to sail, and of fifteen thousand troops on board, more than half died in less than a month; thus the Dutch were spared a struggle for life and death. The same fleet in 1588, under the name of the *Invincible Armada*, met with a fate upon which it is not necessary to dilate to English readers. With the destruction of

the Armada by the English, Spain declined both in wealth and power. Philip typified the kingdom he governed, for the more he injured himself by folly and wrong-doing, the more he persisted. "Better," said he, "that my subjects be beggars than heretics," and with his fleet lost, his commerce ruined, his kingdom bankrupt, he resolved to crush the intelligence, wealth, and independence of Antwerp. The siege of this prosperous and splendid city by the Duke of Parma was the great success of Philip's reign. The slaughter of three thousand citizens in cold blood, and the plunder to which the city was subjected for many days, were his reward. He had the glory of destroying a harbour where a forest of masts was wont to be seen, and of causing grass to grow in the streets of the city which had contributed to his revenues far more than any other in his wide dominions.

Before this time the United Provinces of Holland or the North Netherlands had declared themselves independent of Spain (1579); and, though the war was continued long after their independence was recognised in Europe, the inhabitants of Antwerp felt themselves secure in settling at Leyden and Amsterdam, whither they carried their strength, skill, and commercial habits. Both of these cities found it necessary on several occasions to enlarge their boundaries; and the guests, whom they enrolled during the war, proved by their valour that their enfranchisement had imbued them with the courage, devotion, and generous feelings of free men.

II.—AMSTERDAM.

PHYSICAL conditions placed the Northern Netherlands second in rank to Flanders for several centuries; but those powerful barriers to material or economical progress served as a means of defence when the Dutch had to withstand the power of Spain. Before the union of the seven provinces, in 1579, the occupations of the Dutch had chiefly been cattle-rearing and the tending of dairy-farms. Their

verdant meadows fed herds of cattle, which yielded butter and cheese for exports to Spain, Portugal, and the European states. Amsterdam, Rotterdam, and Leyden possessed manufactures of wool and flax, but barely more was produced than was wanted for home consumption. The raw materials were obtained from England and Flanders. Fishing was an important means of subsistence in the provinces further to the north, to which must be added the profits upon ship-building, and a considerable share in the European carrying trade. About the middle of the sixteenth century the Dutch almost exclusively possessed the Baltic trade, and thus supplied the rest of Europe with northern produce. During the eighty years' war with Spain, the Dutch trained themselves in skilful and daring seamanship. When as a free people they could welcome the victims of Spanish bigotry and cruelty, trade and industry, which were utterly ruined in Flanders, flourished in the Dutch towns. Amsterdam had to be enlarged several times to accommodate the great influx of immigrants, and soon surpassed Antwerp itself. Amsterdam was renowned for adventurous seamen, familiar with every part of the globe. Ships from this city sailed over both hemispheres, its merchants were the intermediaries between belligerent powers, and did not hesitate, during the conflict with Spain, to smuggle even the munitions of war into that country. In this branch of trade alone four hundred vessels were engaged. Defying penal laws, made more and more stringent, the Dutch could not resist a good bargain, and traded with Spain, Portugal, and even Flanders, while they themselves were under the iron yoke of the Duke of Alva. Spain in its blind rage, having cut off its sole resource in destroying Antwerp (1585), was thrown hopelessly on its enemies for supplies of food and clothing. Coercive laws had made the Spaniards look upon forestalling their government as a commendable act, and there were few who were not pleased to see "our good friends the enemy" drawing inshore with goods.

The citizens of Amsterdam offered, besides free trade, the boon, almost unique in that intolerant age, of freedom of conscience to all comers. They tempted the artisans of Aix and other places to settle amongst them. These great privileges caused Holland to be selected by every emigrant whose means gave him liberty of choice. Many of the poorer emigrants went to England.

At the end of the sixteenth century there belonged to the United Provinces seventy thousand small craft, nearly a thousand ships, ranging from 200 to 700 tons burden, besides six hundred herring-smacks, from 100 to 200 tons burden. More ships are said to have entered the harbours of Amsterdam daily than there are days in the year. At the same period eight hundred ships from the Maas and Zealand, and five hundred and eighty from seven different towns on the Zuyder Zee, sailed annually to the Baltic and the western states of Europe. By the end of the century more vessels were built in the docks of Holland than by all the ship-builders in Europe besides.

Philip II. of Spain warned the Dutch from the shores of the Iberian peninsula, and closed Lisbon as well as Cadiz against them. He thus compelled them either to give up their most profitable trade, or to seek it illegally in the Spanish and Portuguese colonies. This dilemma induced them to repeat the attempt to reach India by a north-east passage. The enterprise had been first suggested in 1553 by John Cabot, then Grand Pilot of England. The expedition under Willoughby in that year, though fatal to its commander, was productive of important results. Chancellor, the pilot-major of Willoughby's fleet, discovered the White Sea, and opened up Muscovy to commerce. Successful attempts, made by the Dutch in 1594, 1595, and 1596, ended in failure, for the ice obstructed the movements of the ships, which in the last expedition were winter-bound in the newly-discovered island of Nova Zembla. There was at this time imprisoned in Lisbon for debt a Dutchman, Cor-

nelius Houtman, who had made the voyage to India several times. A company established for trade in distant parts procured his release, and despatched him with four ships to open a direct trade between Holland and the East. After an absence of eighteen months he again entered the harbour of Texel, with two ships and a third of his men. He had landed at Madagascar, Bantam, Sourabaya, Madura, Bali, and everywhere had found the inhabitants hostile. Nevertheless, the fact remained that Dutch vessels had succeeded in getting to India. Another fleet of eight vessels was despatched in 1598 under Admiral Van Neck. The return of this fleet in 1599, with a large and valuable cargo, filled the Dutch with enthusiasm. The vessels had touched at the Mauritius, and, sailing onward to Bantam, separated, in order to take in their cargoes more easily. Four ships were sent home from Bantam, laden with pepper and cloves and other products, which had been obtained in exchange for scarlet cloths, coral, amber, gilt-framed mirrors, bottles, drinking-glasses, Nürnberg wares, spectacles, pins, lead, iron, helmets, and combs. Two of the remaining vessels, under the command of Vice-Admiral Warwijk, an eminent merchant, remained at Banda. The success of these early ventures gave the Dutch confidence, and imbued them with the hope of ousting the Spaniards and Portuguese from their possessions. Attention was once more turned to America, and again they resumed their search for a north-west polar route. Henry Hudson, an English navigator of proved skill and experience, sailed in 1609 as their agent, gave his name to the river which he was the first to explore, and planted the Dutch flag upon the neighbouring lands. A prosperous voyage was made a few years later, in quest of furs and the skins of the otter and beaver. The log huts that then sheltered the seamen for a few weeks on the island of Manhattan were the mean beginnings from which arose the now noble city of New York. Olivier van Noort, with three ships and a yacht, circumnavigated the globe between 1598

and 1601. In the last of these years eighty vessels sailed from Holland for the Indies, Africa, and America. Eight of these vessels gained a complete victory over thirteen Spanish ships of larger size ; and driving off another Spanish fleet of eight ships from Bantam, the adventurers formed a settlement there, and assumed the trade of that place. Unable to resist the Dutch by force of arms, the Portuguese and Spanish maligned them to the natives as pirates. The Dutch met the charges in a characteristic manner, by offering better terms for Indian spices, indigo, and silks. They selected their outward freights with great judgment ; they carried with them to Holland envoys from one suspicious rajah, that the representations they had made to him might be tested. Jacob van Heemskerk had the excellent fortune to capture a Portuguese merchant-vessel, manned by eighty sailors, and laden with a valuable cargo. Judiciously sending back the crew without ransom to Goa, he detained as prisoners the shipmaster and captain only, for whose liberation the Spanish viceroy wrote an urgent letter, full of courteous acknowledgments for the generous treatment of the crew. This letter was shown in answer to any further calumnies. In 1609, a truce for twelve years was signed. Spain obstinately withheld the recognition of the independence of the United Provinces till the Peace of Munster in 1648, when, prostrated by the results of the 'Thirty Years' War, she acknowledged what had so long been the fact. When relieved from the tyranny of their oppressors, the Dutch might have been described as the reverse of everything Spanish. To the bondage of labour and the slavery of mind, they steadily opposed freedom of trade and liberty of opinion. They took for their province the whole range of trade, producing in their Indian settlements, and buying and selling in every open port. While Spain gradually sank from the pinnacle of glory to utter ruin, Holland rose to the position of the wealthiest community in Europe.

As one consequence of this influx of wealth, capital was embarked in many projects, few of which, however, were long-lived. The most important were, first the East, and afterwards, the West India Companies; the former was established for legitimate extension of trade with new settlements, the latter for contraband traffic mainly. They paid large dividends, but collapsed ultimately. More beneficial and more lasting were the

III.—DUTCH FISHERIES.

THE development of the fishing trade was rapid, and its extent during the sixteenth and seventeenth centuries is well-nigh incredible. It required in 1520, for the protection of the lives and property of the fishermen, nine ships of war. The Emperor Charles V., ruler of the Netherlands, in 1541 concluded a treaty with James V. of Scotland, principally bearing upon the herring fishery. At this time its annual value was estimated at 8,100,000 guilders, and the weight of fish taken at eighty thousand tons. In 1601, it is said, that in three days fifteen hundred busses, or herring craft, sailed from the maritime towns of Holland. Sir Walter Raleigh, a few years later, 1605, computed that three thousand Dutch fishing-boats, manned by fifty thousand hands, came over every year to the fishing grounds of England and Ireland, and three times that number of hands were employed in the connected industries. The yearly value of the catch was then calculated at nearly £2,000,000 sterling.

De Witt in his memoirs, when the trade had still further increased, said it seemed to him that the whole wealth of the country sprang from, and rested upon, its fisheries. The capital invested, together with a year's charges, including wages, he reckoned at 10,000,000 guilders, which four prosperous trips would amply reimburse. Benjamin Worsley, an English writer of the seventeenth century, in a similar computation remarked that the Dutch fisheries realised more every year than the value of the combined manufactures of Eng-

land and France. A report of the English Board of Trade estimated the fisheries at the annual value of £3,000,000 sterling, a sum exceeding what the Spaniards then drew annually from the American mines. Aitzema, in his commercial memoirs, also states that the weight of herrings caught and cured was seldom under three hundred thousand tons every year. These calculations are verified by the books of the maritime custom-houses, in which were accurately entered the number of craft and men engaged, and the value of the cargoes.

In the reign of James I., English jealousy took away the license of fishing in British waters enjoyed by the Dutch for centuries, and imposed besides heavy duties upon all Dutch commodities. When the mutual injury to both countries was represented by the States-General, the vacillating monarch restored the fishing privileges, but retained the prohibitory duties on goods. Charles I. in 1636 peremptorily forbade the Dutch to fish on the English coast, and withdrew a covenanted right from a state with which he was on terms of amity, while his own subjects almost utterly neglected the fisheries. A convoy now accompanied the herring fleet for its protection. A great literary controversy ensued regarding maritime rights. Selden wrote his *Mare Clausum* (the Restricted Sea), to prove the right of the English to exclude aliens from their waters; to which Grotius replied with his *Mare Liberum* (the Free Sea). Graswinkel, a Dutch writer, also attempted a refutation of Selden, for which the States-General awarded him a pension of 500 guilders. In 1652 Blake defeated the protecting convoy, and captured many of the fishing-boats. Great injury was done to the fishing interests throughout the war that raged between England and Holland, from 1652 to 1654. Towards the end of the eighteenth century the Dutch fisheries greatly declined. Sweden was the first rival in the trade, catching and curing annually one hundred and thirty thousand tons of herrings, a large part of

which was exported to countries formerly supplied by Holland. A Hanoverian fishing company from the town of Embden sent out six herring-boats in the year 1770, fourteen in 1776, and forty-five in 1786; and from this pursuit the company at last obtained a clear annual profit of 200,000 guilders.

England and France at length awoke to the value of their fisheries. Billingsgate, the great London market, became more and more supplied by native fishermen. The English herring fisheries assumed great commercial importance. Bloated, or half-salted herrings, for which Yarmouth has long enjoyed a reputation, pleased consumers better than the pickled herrings of the Dutch. Fresh herrings also became a cheap and abundant source of food for the poor. Holland, weighed down by an enormous accumulation of debt which compelled her to place heavy imposts upon articles of commerce, found her industries decay, and her fisheries, though still important, reduced to nothing compared with their former prosperity, when "these industrious Dutch," as a French journal of the day observes, "vended their salt fish over the whole earth, exchanging it for other goods, or for gold and silver."

Minor or Whale Fisheries.—The sight of a leviathan or sea-monster in the early days of navigation excited great alarm in the minds of seamen, who, to secure the safety of their vessels, would strive to frighten the unwelcome visitor with the blasts of trumpets, or "throw a tub to the whale" upon which to expend its rage. Norsemen, Icelanders, Greenlanders, Finns, Lapps, Russians, and Basques, were the first to acquire for the power of the whale that contempt which familiarity is said to breed. The Basques taught the Dutch the art of pursuing whales, walruses, and seals, and of boiling them down for their oil, and for many years supplied harpooners for the Dutch crews. There is no early record of whale fisheries among the Germans, Dutch, Danes, English, French, Portuguese, or Spaniards. The Dutch turned their attention to this source of profit about the year

1550, and the English rather later. Small companies combined to furnish the expensive outfit of the whalers. At first whales were found in abundance around Spitzbergen, where the English and Dutch founded whaling stations. Smeerenburg was the name given to the Dutch settlement, and warehouses, the framework of which was constructed piecemeal in Amsterdam, were there put together. In 1614 a general company of merchants received for three years, in consideration of the cost of their equipment, a grant of the exclusive privilege of fishing for whales in the northern seas. The charter was renewed for four years in 1617, for twelve years in 1622, and for five years in 1634. In 1645 the States-General, considering the navigation of the northern seas known, and the trade established, threw the fishery open—a condition increasing thereby its proceeds tenfold, whereby, says De Witt, “great numbers get their bread.” Spitzbergen was abandoned as a whaling ground when the fishery was made free.

One great element of cost in these voyages was that of casualties at sea, and when the whales, driven off by the incessant pursuit, betook themselves to Davis’s Strait, the shores of Greenland, and higher latitudes, the dangers were multiplied. As many as twenty vessels were sometimes lost in the ice in one year. The extent and value of this industry in 1797 are to be gathered from the appended statistics :

Dutch vessels engaged in whale fishery	129
Stranded 7	} 129
Returned 122	
Whales killed 1,225	
Yield of oil 41,344 casks.	
Value per cask 30 guilders.	
Total value of oil	1,240,320 guilders.
Whalebone sold	1,255,000 „
Total	2,495,320 „

The whole proceeds, amounting to about two and a half

millions of guilders, left a very large margin of profit upon the outlay. An average of twelve whales to a ship was reckoned as the result of the fishing in the years 1698, 1701, 1705, and 1714. In 1736, one hundred Dutch whalers were sent to Greenland, and ninety-one to Davis's Strait. In 1737 the numbers were respectively one hundred and six and eighty-eight; and in 1738 they stood at one hundred and twenty-two and seventy-four.

Incidental traffic with the natives in bear and fox-skins, and a few other commodities which were bartered for copper kettles, hatchets, knives, and useful hardware, increased the gross profits in good years by about 300,000 guilders.

IV.—CARRYING TRADE. MANUFACTURES.

SUCH was the industrial capacity of the Dutch, that no means of making a mercantile profit were neglected. For generations they made it better worth while for European nations to carry on their international commerce in Dutch ships, than to build ships of their own. Low charges, quick voyages, cleanliness, and business-like habits rendered it advantageous even for the English to engage them as agents; and France employed their vessels for the conveyance of both outward and homeward consignments. Thus the Dutch became the maritime carriers of Europe, and countries covered with timber, and possessing mines of iron and coal, were beholden for the transport of exports and imports to the industry of a race whose home provided them with neither forests nor mines.

Shipbuilding was an important branch of Dutch industry. Many more ships were built for the carrying than for the direct trade. Timber, masts, sailcloth, caulking, and marine stores were kept in such quantities, that the famous shipyards of Zaardam guaranteed to deliver any number of ships, at the rate of one a day, three months after the receipt of an order. Government vessels, merchantmen, ships for letting out on

hire and for freightage, as well as ships for foreign sale, employed many thousand builders.

England continued to make use of Dutch craft till the year 1650, France much longer. Spanish and Italian ports employed them so largely, that scarcely any flag but that of Holland was to be seen on the Mediterranean. The best ships in the world were of Dutch construction.

Besides this maritime trade there was the inland carriage of goods. Holland was even thus early a network of navigable rivers and canals, with unequalled facilities for inland communication. Carriers undertook the conveyance to and from the seaports. The deltas of the Rhine, Maas, and Scheldt being in the Low Countries, the Dutch commanded thereby the large area of German river traffic.

The culmination of the prosperity of Holland was reached in the middle of the seventeenth century. At the general recognition of the independence of the republic in 1648 its commerce was universal, comprising a monopoly of that of India, the almost exclusive trade with the Baltic and Mediterranean, and most of that of America. Its navy and mercantile marine, its fisheries and manufactures, were unsurpassed, and its riches, the outgrowth of this prosperity, exceeded the wealth of all the rest of Europe.

England and France at last sought to do for themselves that which hitherto the Dutch had done for them. Cromwell in England and Colbert in France, by closing their ports to foreign ships, strove to make compulsory the employment of home-built vessels; and, by imposing heavy customs upon foreign produce, forced the people to rely upon articles of home production. Towards the close of the seventeenth century, and again in the War of the Spanish Succession at the beginning of the eighteenth, the Dutch republic was engaged in war with England and France. Though thrifty and simple in their mode of living, the people found it difficult to procure bread. Wages rose, and the cost of production of all commodities increased.

The silk and woollen manufactures, the great distilleries, the oil and saw-mills, were all adversely affected. Cheapness compared with other countries, and indefatigable industry, had hitherto enabled the Dutch to command the markets of the world. England now competed with Holland in manufactures, and in the means of communication, and far excelled her in native resources, linen excepted, for the soil of Holland was well suited for the growth of flax. Dutch fabrics became dearer than those made abroad, and the trade in them decreased. Yet the foundations of Dutch trade were so firm that it withstood these calamities, and retained much of its importance. Such an accumulation of capital had been formed, that individuals, firms, and companies were still wealthy. Their foreign connections were too extensive to be easily lost, while their character for good faith and commercial skill gave them the precedence over less known adventurers. A large shipping business was retained by lowness of freight, a policy which the Dutch were slow to alter. They retained the chief share of the Baltic trade, especially that with Prussia. India was still a vast field of enterprise, despite the growing power of the English. That ancient mine of wealth the fisheries, after all the jealous pretensions of the English to an exclusive right in the North Sea, continued to flourish. With Spain and Portugal a considerable interchange took place; northern commodities and Dutch linen, cloth, and dairy produce being taken to the Peninsula. This trade was enlarged by an extensive agency business, whereby Spain and indirectly her colonies, were put into commercial communication with Scandinavia, Russia, and Germany. Of Spanish wool alone, five times as much was exported from Spain in Dutch ships as was taken by English and French merchants together. The monopoly of the spice trade was of great value to the Dutch. The taste for spices in Russia and Scandinavia created a demand which kept the Dutch in the front rank of the merchants trading

with those countries, and gave them a position which the English vainly contended against. The trade of the highest importance was that with Germany. Wine, timber, grain, linen, from the Rhine lands, were consumed in Holland, and much besides was exported. Westphalian linen was sent largely to Spain. In this traffic, the chief commodities given in exchange were spices.

Several circumstances likewise preserved the vitality of the Dutch textile manufactures; these were the home growth of flax, the skill of the weavers, and the excellence of the dyeing. Finer and better fabrics were woven in the manufacturing towns of the province of Holland than in England. For some time after the peace of Westphalia, in 1648, Leyden exported fine cloths to England. The whole province manufactured yearly between two thousand and three thousand pieces. Fugitive Huguenots gave a fresh impetus to weaving. The republic was able to hold its own in this art against England until the eighteenth century, when the superior natural resources of England began to tell. By an article in the treaty of 1648, Spain was compelled to keep the Scheldt closed to all navigation except that of Dutch ships. The Spanish or South Netherlands continued therefore, throughout the seventeenth century, in the lifeless condition to which they had been reduced by the policy of Philip II. The fate of Antwerp was sealed for an indefinite period. No trade was allowed to approach or spring up; and one of the finest of commercial sites was doomed to temporary ruin. The cultivation of flax was carefully pursued in the South Netherlands, and the linen made therefrom was nowhere excelled.

Towards the end of the seventeenth century, agriculture began to revive from the impoverishment to which it had been reduced by Louis XIV. The Dutch republic greatly benefited by the revival of those industries, for through Holland all the foreign intercourse of the Low

Countries flowed. The fine linen was sent to Spain, and thence to America.

Stock-Jobbing.—Government loans and shares in various private undertakings where interest or dividend alone is guaranteed, while the receipt or warrant for the principal is merely held as a security, go by the name of stocks. Such securities are transferable, and so great is the business of them, that in most large towns a stock exchange exists where agents called stock-brokers and jobbers meet to conduct transfers on commission. It is evident that securities which inspire confidence would at all times be of a higher value than those of a questionable character. According to the rumours affecting their stability, and to the variations in the market rate of interest, stocks continually fluctuate in value. A speculative or gambling business was soon founded upon the course of these fluctuations. Two dealers would bargain not to deliver stock, but to pay or receive the difference in value at which the stock was quoted on the exchange at a stipulated date. Large sums of money were thus often gained or lost. Dutch stock was another name for the principal of the loans contracted by the States-General, and for the large amount of Dutch capital lent to foreign states. Charles I. borrowed £300,000 upon his accession to the English throne. Between 1650 and 1700, the Dutch had become the bankers of Europe. In the eighteenth century, Holland had claims to the amount of 3,000,000,000 guilders upon its debtors in various parts of the world. New mines were opened in Sweden, and old mines were better worked by the aid of Dutch loans. English, French, Dutch, and Danish planters likewise received advances for the improvement of their estates. While the commerce of Holland was at its greatest prosperity, trade absorbed the Dutch capital, and loans could only be obtained at a high rate of interest. When, however, commerce declined through the losses by war, the weight of taxation, and the rivalry of other nations, much capital lay

idle, for which the European wars of the sixteenth and seventeenth centuries found employment. These wars were carried on partly with the relics of Venetian and Genoese commercial gains, but far more with the gold of the Netherlands. Thus, ambitious governments escaped the odium of new taxes, and their subjects escaped from paying the cost by the cheap method of bequeathing their debts to their descendants. Wars might otherwise have been less frequent and less costly.

Tulipomania was a strange aberration of Dutch, and in a less degree of French and English stock-jobbing. As florists, the Dutch were always distinguished, but the culture of tulips was their favourite horticultural pursuit. The province of Holland carried on a great traffic in these flowers. The cities of Amsterdam, Haarlem, Utrecht, Alkmaer, Leyden, Rotterdam, Woerden, Hoorn, Enkhuisen, Medemblyk, became so infatuated that, by the year 1634, not only every leading merchant, but nearly every citizen, was engaged in the trade. Officers conducted the dealings in roots with the formality of signing, sealing, and delivering a deed of transfer. A variety called the "Viceroy" was sold for 2,500 guilders; another, "Semper Augustus," for 4,600 guilders, besides a new carriage and pair of greys. There were but two bulbs of the "Semper Augustus" known to exist, one at Haarlem, the other at Amsterdam. Contracts were made, and large sums of money paid for bulbs, never seen by either bargainer. They were bought and sold even without being in existence, only with reference to the rise and fall of their hypothetical value. An estate in one case had to be sold, to meet the deficiency of a speculator, who had bound himself to deliver a bulb by a certain day, the nominal value of which kept rising in consequence of the refusal of the owner to part with the sole specimen known. In two or three weeks another gained 60,000 guilders. Fortunes were rapidly made and lost. The trade now became an undisguised speculation, and

when the bubble at length burst, it was followed by a panic entailing ruin and despair. In one town alone, during these three years, there was invested in hypothetical tulips more than 10,000,000 guilders.

V.—DECLINE OF COMMERCIAL SUPREMACY.

DURING the whole of the eighteenth century, both extremes of which found the Dutch engaged in wars with France, the commerce of Holland declined. The acquisition of the Spanish crown by Philip V., a Bourbon prince, grandson of Louis XIV., in 1700, in accordance with the will of the previous king, Charles II., led to the War of the Spanish Succession, in which Holland, Austria, and many of the German states were arrayed against the forces of France and Spain. When peace was signed in 1713, the republic of Holland discovered that the French were able to keep the profitable trade which they had acquired during the years of war, and that the English had advanced in husbandry, handicraft, and commerce. Thus the relative position of these rival powers promised to be reversed.

In 1703, the king of Portugal joining the alliance against France and Spain, John Methuen, an Englishman, took advantage of the intercourse to negotiate a treaty between Portugal and England. By the Methuen treaty, the Portuguese trade was transferred, with a singular lack of consideration amongst companions-in-arms, from the hands of the Dutch to those of the English. A share also of this trade was successfully competed for, to the detriment of the Dutch, by the free cities of Hamburg, Bremen, and Lubeck.

The English further challenged the Dutch in the trade with Russia, and by the superior extent of their demand for the raw produce of that empire, they in the end absorbed nearly all its commerce. For like reasons they outstripped the Dutch in the Swedish and Danish trade. The grain

trade with Dantzic and the adjacent Baltic ports was not much affected, and Amsterdam continued to be the granary whence the south-western states of Europe were furnished with corn.

The duties imposed in England upon foreign fabrics were so heavy, that Dutch linens could hardly get admission. English productions, on the contrary, were in such constant demand by the Germans, that the Dutch derived large profits as agents in their carriage and distribution.

In the Mediterranean, where the Dutch had been supreme, their trade could now scarcely be said to exist. In India, the French and English had followed in their footsteps and in turn monopolised the Indian trade. Oriental linen was thus obtained, which lessened the demand for that of Holland. Sugar, coffee, and spices from the West Indies exceeded in amount the Dutch imports from Java. Thus from 1771 to 1774 the Dutch imported seventy thousand casks of sugar, and fifty million pounds of coffee; the former valued at 4,000,000 guilders, and the latter at 21,000,000 guilders. The inquiry naturally arises, Why did not the Dutch adopt the principle of heavy port and custom dues, in retaliation upon France and England? The reply is evident. They had but few natural resources; they were dependent upon the imports of raw produce for the materials employed in their manufactures; and to lay imposts upon those materials could only limit industry by increasing the cost of production. Much as the republic suffered by the acts of its neighbours, to copy the same course could only have led to further injury. Already manufactures had suffered from the evil effects of an enhanced prime cost, brought about by the competition for foreign produce, by heavy taxation which was the result of war, and by the consequent rise of wages, which were higher in Holland than elsewhere. It was remarkable that under such adverse circumstances the republic could justly be called rich. Trade and manufactures had diminished at home, colonial produce at the best was not

progressive, and agriculture had now improved in England so much, that British dependence on Dutch husbandry was greatly reduced. The reason why the wealth of Holland did not more perceptibly diminish, was owing to the vast accumulation of capital in the country; so that when manufactures and commerce offered less profitable investments, loans to an enormous extent were made to other states of Europe. The American and the French revolutions both proved destructive to Dutch commerce. For seven years, from 1776, the Dutch profited greatly as a neutral power; but the English deprived Holland of her West Indian possessions, and even captured the rich cargoes coming from the East Indies. The Danish West Indian colonies carried on the smuggling trade before pursued by the Dutch. The Swedes and Danes assumed the place of the Dutch as maritime carriers; and, together with the Portuguese, deprived them likewise of a large portion of their Indian commerce. Denmark, as a neutral power, conducted the important traffic of France. Colonial produce was supplied to the Baltic ports by the agency of the free cities of Hamburg and Bremen. Ostend increased in importance, and became the port of Flemish commerce.

When peace in 1784 brought the Dutch immunity from hostile attack, a part of their former trade returned, but the circumstances had changed. No longer so far in advance that other states felt it vain to contend with them, they had now to struggle with numerous competitors.

The subjoined record of vessels passing the Sound in the year of peace (1784) shows the reversal of the position of Holland with regard to the Baltic trade.

Dutch vessels	.	.	.	.	.	.	1,366
English „	.	.	.	.	.	.	3,172
Swedish „	.	.	.	.	.	.	2,170
Prussian „	.	.	.	.	.	.	1,421
Danish „	.	.	.	.	.	.	1,691

The United States of America, with their independence, appeared as a new rival to Holland, offering in exchange

for the commodities of Spain, Portugal, and Italy, exhaustless quantities of fish and flour. Before the century closed, Holland was again subject to foreign rule. The French Revolution was a fatal blow to the hopes of a revival of trade. Dutch manufactures were inferior in quantity and quality to those of England, and the people seemed indifferent to their improvement. Fifty years of internal dissensions had been equally prejudicial to husbandry. The famous cattle and dairy produce showed no improvement with the times, while agriculture in the countries around was making rapid progress.

South Netherlands.—By an article in the treaties of Utrecht in 1713, the disputed possession of the throne of Spain between the Bourbon and Austrian princes was decided in favour of the former, a compensation being offered to Austria in the renunciation by Spain of all her European dependencies. Under this arrangement the South Netherlands were ceded to Holland for transfer to Austria. This change of masters was beneficial to the Flemings, whose trade began to revive from 1714, when the change of rulers took place. The cultivation of the soil, encouraged by the government, was pursued with new vigour. This course soon produced greater crops of grain and flax, and led to increased manufactures.

The parties to the treaty of Utrecht did not, however, remove the political disability of the Scheldt as a Flemish port. Holland would not have agreed to a treaty containing an article the effects of which would have been to ruin Amsterdam in order that prosperity might return to Antwerp. Charles VI. consequently encouraged the trade of Ostend, and entertained the project of founding a Flemish East India Company, which, owing to the hostile attitude of England and Holland, came to nothing.

The advantages possessed for commerce by the South, or, as they were now called, the Austrian Netherlands, were improved by peace. Flemish flax, linen, yarn, and coal

were sent in great quantities to France, which in return gave the luxuries of art, wine, and silk. Brabant lace found a market in Germany, the cloth manufactures of Verviers superseded those of Leyden, and Liége resumed its manufacture of iron. During the war that raged from 1781 to 1784 the Austrian Netherlands pursued a busy and profitable trade, much of which was retained when the war ceased. Cotton was manufactured in quantities large enough for export, and the arts of linen-weaving, bleaching, lace, paper and leather-making, diamond-cutting and polishing, sugar-refining, and brewing flourished. Flax and linen were important Flemish exports. Agriculture had reached a high degree of excellence, and great crops of hops, madder, rape-seed, and linseed were grown. Woollen cloths, unsurpassed by the productions of any looms in Europe, were manufactured from the fleece of Flemish sheep, and the cows produced the famous Limburg cheese. With France was maintained an important trade in iron-ware, for which Namur and Liége had been renowned for centuries.

The French occupation at the close of the eighteenth century was not so injurious to the South Netherlands as it was to Holland, although heavy levies were made upon the Flemings; for in 1792 the Scheldt was again opened to commerce, after having been closed since the peace of Westphalia, 1648.

CHAPTER IV.

FRANCE.

FRENCH industry and trade, in a national sense, belong entirely to modern history, being but little developed until after the discovery of America. Spain drew much of its supply of grain from France, and so urgent was the want of food, that more Spanish gold went in payment for French corn than for any commodities whatever from any other European state. Louis XII. and Francis I. pursued a similar course to that of their predecessor Charles VIII., and although the commercial cities of France did not attain to the splendours of Venice, Genoa, Florence, and Pisa, nor her merchants vie with the Italian commercial princes, yet the prosperity of the kingdom was promoted. By these monarchs, old laws favouring industry were revived, trades were placed under new regulations, mines were opened and more actively worked, fairs were established, and money began to accumulate in the hands of the merchants. Louis XII. was the first king of France who really protected agriculture. Under his reign laws were promulgated controlling the labour, beasts, and implements of husbandmen, which could no longer be seized for debt. Maize was introduced, and has since been cultivated very extensively in the south of France. This monarch also especially encouraged the art of printing, which he said was of divine rather than human origin, and regarded it as the most powerful instrument for the maintenance of law and order. This favour to printing was continued by his successors, who specially exempted it from imposts, when scarcely another mechanical art was free. The

introduction of the silk industry had a great influence upon the commercial and industrial position of France. During the sixteenth century, silk stuffs and raw silks were obtained from Italy, and paid for with gold received from Spain. In the year 1521, weavers from Italy settled at Lyons, but no extensive attempt was made to cultivate the mulberry and rear the silkworm. Mulberries were planted near Tours, and silk was first fabricated in that city. Henry II. wore silk stockings, and thirty years after his reign, fifty thousand persons are said to have worn them; yet it was not before the year 1650 that the mulberry culture spread southward, and the superiority of the French in the manufacture of silks, velvets, and satins, became manifest. Twelve departments of the south have made silk their staple produce, upon which, and its auxiliary industries weaving and dyeing, the inhabitants of these parts mainly depend for subsistence. Lyons, the centre of the silk district, and its chief market still, has almost half its population engaged in the trade. Paris, Nismes, Avignon, next to Tours and Lyons, were the towns that became similarly distinguished.

Between 1547 and 1558 the plumbers, watchmakers, and gilders of steel were incorporated, and various ancient guilds, such as the scabbard-makers and leather-workers, renewed their charters. As the towns increased and the adjacent forests were felled, the trade in fire-wood assumed important dimensions. Cannon founding was a new art, and in no long time became superior to that of Italy. The arts appertaining to the preparation and consumption of food received special attention, which led to the eminence ever since held by the French as cooks. Prodigious quantities of salt herrings were imported from the Low Countries, and the markets of Paris were stocked with game from the interior. Unhappily this prosperous condition was not destined to last. The policy of the French monarchs changed, and commercial prosperity did not endure as long as the century which had given it birth.

Nature has lavished upon France exhaustless gifts, or the kingdom could not have survived the evils it experienced throughout, and even anterior to, the seventeenth century. Destructive wars were almost continuous, agriculture was kept at its lowest point by the oppression of the nobles; manufactures were destroyed by excise imposts; revenue farmers drained the life-blood of labour. Customs duties shackled commerce; every device which ignorance and oppression could frame did its worst to consume the resources of the country. The condition of the French poor was miserable in the extreme, although the country produced in abundance corn, wine, cattle, fish, and everything necessary for the subsistence of the inhabitants. Fuel ought never to have failed, yet wood was dearer than at Venice, because the king was the proprietor of most of the forests, and monopolised the trade in timber.

The few bright spots in French industrial history, when wiser counsels directed legislation, are connected with the names of Sully and Colbert, the gifted ministers respectively of Henry IV. and Louis XIV., from whose genius respectively the productive industry of France received its most beneficial impress.

I. *Agriculture*.—The condition of French agriculture at the accession of Henry IV. was very backward. Farm implements were of the rudest kind, and corn was generally trodden out by the feet of horses and mules. The homes of the labourers were dirty and comfortless. Prejudices continued to arrest production. Communication by roads and canals was so imperfect that famine sometimes raged in one part of the country while plenty prevailed in another. The price of corn varied very much in different provinces, yet no neighbourhood attempted to increase production beyond its own immediate requirements. To improve this state of matters was the aim of Henry IV. and Sully. Frenchmen revere the name of this king, whose aspiration that every peasant should have a fowl in his pot on Sun-

days, was nobler than the subsequent ambition of Louis XIV. and Napoleon; and they owe a debt of gratitude to the wise minister who so ably seconded the sovereign's efforts.

Maximilian de Bethune, Duke of Sully, descended, it is said, from a Scotch family whose original name was Beaton, was born at Passy, December 13th, 1560. He became at the early age of thirty-six years Superintendent of Finances, Grand Master of the Artillery, and Grand Trustee of Roads. By virtue of these offices he repaired the old highways and opened many new ones; he also raised the artillery to a condition of excellence which for two centuries rendered it unsurpassed. When he began his administration, the kingdom was 300,000,000 livres in debt. The king is graphically said to have had neither horse, nor harness, nor even a whole shirt. Sully first introduced economy into the finances, which he found yielding only 30,000,000 livres out of 150,000,000 wrung from the people, and checked the exactions of the farmers of the revenue. He protected husbandry, and promoted the exportation of grain. By reforming the laws, and checking monopolies, he enabled the kingdom to pay its way without grinding the poor. In Sully's memoirs ("Economies Royales"), he defines the objects he had before him, and the principles which directed his policy. "Husbandry and cattle rearing," he says, "are the two breasts whence France is nourished, her true mines and treasures of Peru." He therefore remitted 20,000,000 livres in arrears from the cultivators, exempted farms and agricultural implements from taxation, distributed the imposts more equitably, and reclaimed a large extent of waste land. His conviction was, that princes ought to seek the prosperity of their subjects, as the only true means of increasing their own wealth and dignity. Sully enumerates the causes of the decline of a kingdom thus: "Monopolies, especially of corn, neglect of commerce and agriculture, trade and art; the cost of useless dependents, and the too great power they wield; retarding and with-

holding justice ; corruption of morals ; idleness and luxury ; debasement of the currency ; unjust and foolish wars ; kingly despotism, and blind attachment to favourites ; nepotism, official greed ; neglect of science and literature ; complex and useless regulations." His encouragement of merchants, mechanics, farmers, and shepherds, was not unreasonable, since, as he replied to the Duchess of Verneuil, "It is they who nourish the king and us all." Henry's appreciation of Sully is conveyed in his remark to Gabrielle d'Estrelle,—“I would rather dispense with ten mistresses than one servant like him.” Sully not only freed the kingdom from debt, but at the king's death there was a surplus of 112,000,000 livres lying in the Bastille. In some respects, Henry was more advanced than even his enlightened minister, by whom he was well seconded in regard to the encouragement of agriculture, but often opposed in relation to manufactures and commerce. Sully had a prejudice against manufacturing industry, in the belief that the indoor life of the operative led to physical degeneracy. The king saw that every form of productive labour enriched his country, and strove to create industries for the people of the towns, and to revive commerce. He reanimated the textile manufactures, and formed plantations of white mulberry, and introduced silkworm-rearing into France. By his orders the site of the Tournelles, in the Tuileries, was planted with this tree. His success was such that Sully himself, in order to please the king, planted many thousands of trees in Poitou, and the cultivation of the mulberry was extended northward to Orleans. Paris owes to Henry IV. many of its principal monuments, erected as much to encourage industry and the fine arts as for civic embellishment. By subventions, privileges, and other encouragements, Henry did for industry and commerce what his minister aimed at for husbandry. Henry's measures, nevertheless, could not undo the mischief worked by ages of ignorance ; and his murder by the fanatic Ravallac caused affairs to revert in a

great measure to their old condition. For his age Henry was a wise and beneficent ruler. The economic errors which he committed were then believed to be true principles, and had been inherited from the Middle Ages. Prohibition of trade between kingdom and kingdom, under the guise of encouragement to native labour, was but the reproduction of ancient jealousies between town and town.

II. *Manufactures*.—The manufacture of silk soon took the lead amongst French industries, and with the subsequent improvement in weaving, the woollen and linen manufactures also prospered, as well as those of carpets and lace. Henry IV. enjoined the use of silk, and rendered it unlawful to import textures of gold and silver: which impolitic enactment he afterwards had the wisdom to repeal.

Jean-Baptiste Colbert, the great finance minister of Louis XIV., is regarded as the father of the manufacturing and mercantile industry of France, as Sully was of its agriculture. Colbert, like Sully, traced his origin to one of the many Scottish families who sought their fortunes in France at the time of the League between that country and Scotland. An inscription upon the tomb of his ancestor at Rheims is preserved by Moreri:—

“ En Escosse j’eus le berceau,
Et Rheims m’a donné le tombeau.”

At Rheims, where his father was a merchant, the great financier was born in 1619. He possessed an accurate knowledge of the social condition of France, gained by travel and observation in every province. His appointment to the civil service was made by Le Tellier, in 1648, and he so recommended himself by his financial skill to Mazarin, that this great minister on his death-bed pointed him out to Louis XIV. as his fit successor. Colbert became minister of finance in 1661, and although his efforts were checked by many wars, he raised the yearly revenues to 116,000,000 livres, an amount never before approached; and this not by

heavier exactions, but by thrift in their collection and management, and by increasing the resources of the kingdom. Fouquet, a predecessor of Colbert, was able to pay into the treasury only 23,000,000 livres, out of 84,000,000 gross revenue ; over 60,000,000 being dissipated in course of collection. Colbert, in the first year of his administration, obtained 53,000,000 out of 88,000,000 levied upon the nation ; the year following, 58,000,000 out of 87,000,000, and eventually he secured 75,500,000 out of a revenue of 97,000,000 livres. He introduced the system of annual budgets, and brought regularity into the finances. He reduced a debt of 1,000,000,000 livres to one of 8,000,000. For twelve years he maintained a balance between the receipts and expenditure ; sometimes, however, with a high hand and breaches of faith, for which the chaos and corruption he found could alone afford the semblance of an excuse. Nothing was too great or too small to come under his cognisance ; every part of the administration was the subject of his solicitude. He brought order into the province of justice, and drew up codes of law, civil and military, commercial and maritime, and while he did not accord political liberty to the provinces, but rendered the despotism of his master even more stringent, he emulated Sully in his regard for the peasantry, shielded them from the exactions of the landholders, interdicted the seizure of their cattle, and exempted the poor from taxes according to the number of their families.

Colbert was guided by the principle that a country grows rich in proportion as the exports of its industry exceed its imports in value. He saw that France drew from foreign sources much more than she exported ; that while the manufactures of Lyons and of Tours languished, the linens, leathers, soaps, drugs, and dyes of England, Holland, and Spain filled the country, while Italy supplied the silks and gold lace, and Venice was enriched by her trade in lace and glass. His whole policy went therefore

to increase production at home, in order first to render France independent of foreign supplies, and secondly, to attract the precious metals to the country. He prohibited the import of foreign manufactures, and the export of French raw material, including corn. On the other hand, he encouraged the import of raw materials, and the export of French manufactures. The exportation of gold and silver coin was strictly forbidden. He induced foreign artificers to settle in France. Workshops were filled with Venetian glass-workers and Flemish operatives; five hundred Flemish weavers settled in Picardy alone. Manufactures and trade visibly increased under his able management. For the encouragement of industry he instituted prizes, and made advances of money to skilful manufacturers. Those engaged in the woollen trade received in this way more than a million livres, and the fabrication of steel and of tin plate was similarly encouraged.

He re-established the carpet manufactures, which had been created by Henry IV. and since abandoned, especially the celebrated manufacture of the Gobelins. Manufactures both of silk and woollen goods depended for their raw material much more upon foreign than upon home produce: to open up foreign sources of supply, therefore, became Colbert's great object. Husbandry was comparatively neglected, and declined relatively to the favoured industries. He protected many branches of labour from foreign competition, with the view of adding to their productiveness. His sagacious mind failed to perceive that by giving facilities for free interchange, he would have encouraged general industry, instead of promoting special branches. Yet in 1669 he writes, "We must leave men alone who apply themselves without reluctance to the work that suits them best; it is the course that brings the greatest advantage." In 1670, only one year later, there appeared his celebrated decree inconsistently promulgating penalties for any breach of the minute and irksome regulations with which he had bound many native handicrafts;

confiscation of the goods being imposed for a first offence, a public condemnation added for the second, and two hours in the pillory for the third. Colbert was as absolute and intolerant in the execution of his decrees as in the institution of new manufactures; administering his functions, as Forbonnais with French keenness observed, by the one law of the Emperor of Japan.

Prescriptive rights and interests were thus established, which in the end grew too powerful to be dealt with, even when it was known that they were sapping the foundations of the national prosperity. Colbert's policy was quickly reciprocated by England. He would not buy cheaply from England, therefore England would not buy cheaply from France. Heavy duties were imposed on commodities by both nations, making them too dear for exchange, and thus a great inducement to production was lost. In like manner the Dutch placed prohibitive duties upon French brandies and wines in retaliation for Colbert's tariffs upon Dutch goods, and thus three countries suffered without advantage to any one of them. That the good of one is the good of all was a principle not then understood, and consequently not acted upon. The auspicious dawn of prosperity evoked by Colbert never reached its meridian. Nevertheless, much lasting good resulted from his policy. Several of the manufactures he introduced became staple industries, while those connected with silk and lace banished the lifelessness of the peasantry, gave permanent occupation and wages to their wives and daughters, and spread a portion of the prosperity of the towns over the country districts. Even the royal monopoly of various manufactures was, for the age, an emancipation rather than a restriction of labour, for he cast off the close and narrow fetters with which the selfish instinct of guilds had bound every handicraft, and created great establishments instead. Where also he sustained manufactures for which the country was naturally unfitted, it was in many instances but a temporary loss, for

nature reasserted her rights at every opportunity, the manufactures failed, and his foreign tariffs became abandoned, or were lightened as an economical necessity.

The ambition of Louis was selfish and personal. Unlike the patriotic Henry IV., he took the revenues raised by his minister, admiring the means of collection, not because they were just, but because they were successful, and enabled him to gratify lavish tastes. With Colbert's death, after an administration of twenty years, prospects darkened. The far-seeing wisdom, prompt to rectify errors of judgment by the light of experience, disappeared, and only the evils of his system remained. Monopolies were multiplied in order to meet the needs of the nobles, who disdained labour, but eagerly seized and consumed the hard-earned profits of the poor labourers. Jealous trade corporations interdicted every improvement, punished inventors with severe penalties for "the infraction of vested rights," and closed every department of industry to outsiders, however skilful. The king's heartlessness was proved by the revocation of the Edict of Nantes, an act to which the sanction of Colbert would never have been given, for it not only involved the banishment of good subjects, but the loss of an invaluable portion of the national capital. Louis forbade the Huguenots to emigrate, yet half a million of refugees carried their industry and skill into other lands, while twice as many forced perverts awaited at home an opportunity to rebel. The fanaticism of Louis XIV., as stupid as it was cruel, so weakened the silk trade that several generations were required to effect its restoration. From Languedoc fifty-five thousand silk weavers departed to introduce their beautiful craft into Spitalfields and Berlin. Louis XIV. arrayed Europe against himself, and found his bitterest foes amongst his former subjects, whom his bigotry had forced into foreign armies and navies. He lived to see his conquests lost, his colonies in the possession of his enemies, and a smouldering hatred arise among his subjects. The wanton luxury that distinguished the court of his

successor Louis XV., who imitated all the faults of his predecessor, produced a spasmodic revival of silk-weaving. Neither oppression nor war could wholly destroy the improved husbandry, and the textile industry of French Flanders, where, in contrast with the rest of France, there was progress in agriculture; and the lawns and cambrics of Cambray, Valenciennes, Lille, and St. Quentin were everywhere sought after and esteemed.

III. *Commerce.*—Until the days of Colbert, France possessed no fleet; inland trade was confined to small districts, and consisted almost entirely of home productions. Colbert saw the mutual dependence of manufactures and commerce. His commercial schemes comprised facilities for inland traffic, and an active intercourse with the colonies, India, America, Africa, and the Levant. To carry out his purposes, he incorporated four great commercial companies, to the East and West Indies, the Northern ports, and the Levant respectively; founded the French marine, and encouraged the art of navigation by every means in his power. At the same time, he facilitated internal communication by new roads and waterways, and succeeded in obtaining for his country a profitable through traffic. The king gave liberally to the commercial companies, and, declaring that it was not derogatory to nobility to promote commerce, compelled them also, by forced loans, to take an active interest. Our wonder is, that in such troublous times and with a master so lavish, Colbert succeeded in any of his plans. His chief failures were those of his commercial companies. The West India Company, to which he granted a monopoly of trade, forfeited its charter, and he transferred its privileges to a few ports. The East India Company and the Company of the North also both lost their credit—nor were the minor companies which afterwards sprang up much more successful. It was not easy for a people possessing no docks and generally dreading the sea to build ships; but to make sailors and merchants of such a people was a much

more arduous task. It took his lifetime to establish foreign commerce. What he accomplished may be seen by comparing the condition of things which existed when he became minister and when he died. Before his time, trade with the West Indies was insignificant; that with Acadia or Nova Scotia was confined to a little peltry. No success attended the Newfoundland fisheries, and from the absence of maritime ardour and the want of vessels, Louis XIII. had previously failed in his wish to charter a company with exclusive rights to these fishing grounds. The Dutch, triumphant in the Mediterranean, conducted even the commerce of Marseilles. They took from France satins, ribbons, linen, lace, buttons, and gloves, and England occasionally wine and grain, so that the whole traffic was carried on in English and Dutch vessels.

Under Colbert, the West Indian Company held possession of Canada, Acadia, Cayenne, the Antilles, and the whole of the African coast from Cape Verde to the Cape of Good Hope, and sugar from the West Indies began to displace that from Brazil. It was brought, however, by Dutch vessels as well as by French, a state of things not accordant with his views and designs. The East India Company was even more important. No encouragement, however, could enable his countrymen to compete with the English and Dutch in the Baltic and the Levant. Interchange with England, nevertheless, during his life became very valuable, as the following list of French manufactures sent to England clearly shows:—

Commodities.	Value.
Linen	£700,000
Silk stuffs	600,000
Paper	90,000
Hardware	40,000
Miscellaneous: glass, hats, &c.	220,000
Total	£1,650,000

A considerable trade was conducted with all the states of

Europe, the Levant, Senegal, and the Guinea Coasts, Barbary, and the Indies. The armed fleet maintained its own even against the combined fleets of England and Holland.

COLONIAL HISTORY.

FRANCE has not been successful in colonising. Numerous settlements have been made and lost, but no fixed principles have guided French statesmen in establishing colonies on a large scale. The causes of this want of success are various, and go back far into the national history. Successive kings viewed France as a patrimony whence they might extort the greatest possible revenues, but to which they owed no duty in return. In their own eyes they ruled by right divine. Aggressive wars were almost always proceeding, the ruinous exactions to support which left but little capital to seek outlets for employment abroad; and the settlements when formed suffered from neglect and misrule. Colonies are founded on a large scale only by commercial nations; and of these, at this time, France was one of the least important. France, however, could not altogether resist the contagion of adventure which was spread abroad by the Spanish discoveries. Aubert, a French commander, in 1506 and 1508 discovered Cape Breton and Newfoundland, with the estuary of the St. Lawrence, a river which he named from having entered it on St. Lawrence's day. Francis I., participating in the zeal for discovery, despatched Giovanni Verezzano, a Florentine, in 1524, upon an expedition to the New World in search of gold. Verezzano surveyed seven hundred miles of the coast-line now forming the marine borders of Carolina and Virginia, and part of British America, without, however, discovering any gold. Jacques Cartier, of St. Malo, in the

course of two voyages, sailed round Newfoundland and up the St. Lawrence as far as Hochelaga, the site of what is now Montreal. Cartier gave the name of New France to these territories. For a century attempts were made by the French to plant themselves in America, but without success. Coligny founded a Huguenot colony in Florida, upon territory granted by Charles IX., which was extended and completed by Ribaut in 1564. Philip II. of Spain directed an attack to be made upon these unhappy settlers, who thereupon were surprised and massacred.

Newfoundland was the site of the next colony, and was peopled in 1598 by settlers from Normandy, Brittany, and Biscay; but it was soon abandoned, because of the jealousies and quarrels of the settlers. Henry IV. at the same time made La Roche governor of Canada, Newfoundland, and Labrador, and colonised Sable Island, a settlement to which the like fatality attached; for it lasted only seven years, when the twelve sole survivors of the colonists returned to their native land. It was not indeed till the year 1604 that colonisation presented any prospects of permanence. Had the mother-country supported her colonies through the preceding hundred years, their history would have been very different; but the colonists consisted chiefly of members of the reformed faith, to use whom despitefully was thought to be doing God a service. The French kings were also too intent upon their court profligacy to trouble themselves about their distant dependencies. Settlements were made near the river St. Croix, and at Port Royal, in 1604. Henry IV. had made a grant of all the lands lying between 40° and 46° north latitude to Peter de Monti, a nobleman of Saintonge, belonging to the reformed faith. The charter of presentation reserved some rights of titles and mines. In it also appeared the name of L'Acadie, probably an Indian chief, from whom Nova Scotia got its first designation. A new principle of self-dependence was acted

upon by the colonists, who applied themselves to the production of their own food and other necessities, in lieu of relying upon France. In 1608, under Champlain, they founded the city of Quebec, which (next to the English settlement on the James River in Virginia, established two years previously *) is the oldest European settlement in North America; for Port Royal shared the fate of its predecessors in 1614, and was broken up by an attack of the English from Virginia, led by Sir Samuel Argal. De Monti sold his rights to other French noblemen, who, uniting religious duty with commercial enterprise, sent missionaries amongst the Indians, and sought to carry on a traffic in furs and skins, while imparting to them a knowledge of Christianity. Acadia was granted in 1621 by James I., who claimed it by the right of early English discovery, to a Scotch baronet named Sir Walter Alexander, or Mestry, when its name was changed to Nova Scotia. Quebec surrendered to the English under David Kirk, who acted in alliance with Alexander, but was resigned at the peace, in April, 1629. The French kept their hold of Nova Scotia till 1654, when they were reduced by a strong force sent by Cromwell. At the peace of Breda, 1667, it was once more ceded to France. After alternating fortunes, it became a permanent British settlement. In 1711, and in 1758, the pertinacious attempts of the French to regain the peninsula led to the expulsion of every colonist of French descent. Canada, after the peace of 1629, was governed by De la Tour, whose son was governor of the colony of Acadia. Canada was made a royal colony in 1663, and continued to be for exactly one hundred years. The Seven Years' War, from 1756 to 1763, cost France Quebec, taken after the defeat of Montcalm, the governor, on the heights of Abraham, by General Wolfe, in 1759; and afterwards Montreal. Finally,

* James Town, the site of the original settlement on the James River, was indeed destroyed during subsequent internal troubles of the colony, in 1676, but the settlement itself was never abandoned.

the whole province was ceded by the treaty of Paris in 1763. French colonial history is in reality a history of conflict with British power. Their remaining possessions in North America were Hudson's Bay, Labrador, Newfoundland, and Cape Breton. In Hudson's Bay an active fur trade was carried on by the French Canadians and the Indians living to the west. The English had preceded them in this trade, and shared it with an ill-will that often led to quarrels, until, between 1682 and 1685, they drove away all but English vessels, and monopolized the valuable traffic in the skins of the beaver, otter, and many other fur animals. The French in Hudson's Bay were unable to withstand the rivalry of the English, to whom they yielded all their possessions.

Labrador.—This sterile coast furnished the French through the native Esquimaux with skins, especially those of the seal, and fish oils, worth on an average 50,000 livres annually. This important trade survived competition until 1763, when, with the downfall of Canada, it fell to the English.

Terre Neuve (Newfoundland).—French fishermen were amongst the earliest seen on these famous banks after their discovery by John Cabot, who was himself the first European fisherman in Newfoundland. When the French fisheries were in their most flourishing state, there were as many as two hundred and fifty vessels engaged yearly. Endless quarrels with the English occurred. In 1708 the French attacked the English settlements, and gained possession of nearly the whole island; but by the treaty of Utrecht, in 1713, Newfoundland was declared wholly British, and the French were allowed only a limited right of fishing.

Cape Breton.—The first French settlement in this island was made in 1712. The isle then received the name of Isle Royale. The wisdom of the choice of settlement was proved the following year, when the losses to the French fisheries, through the cession of Newfoundland, were retrieved along

the teeming coast and in harbours of Cape Breton. Alterations of conquest and cession occurred till the end of the century. Louisbourg, the capital, was taken by the British in 1745 and 1758, and again after the fall of Canada in 1763. This last occupation continued till 1783, when Cape Breton was once more restored to the French. In the wars which followed the French Revolution, the fleet and commerce of France having been annihilated, and its colonies for the most part seized, by England, Cape Breton became a permanent part of the British Empire. Many of its inhabitants still trace their descent from the Acadians or original settlers driven out of Nova Scotia. The struggles to maintain the colony is explained by its economic importance. There were about twenty-seven thousand men engaged in the fisheries during the busiest times. The weight of fish taken annually amounted to 1,149,000 cwts., worth nearly £150,000, besides 12,465 casks of train-oil. The average total value of the fisheries exceeded three quarters of a million sterling. There were from four hundred and fifty to five hundred ships employed, manned chiefly by sailors from the maritime provinces of Normandy and Brittany. Four-fifths of the vessels at least sailed from the two ports of Brest and Dieppe.

Louisiana, which had been visited by the Spaniards under De Soto in 1542, was first settled by the French during the reign of Louis XIV. (from whom it received its name) at the close of the seventeenth century. New Orleans was founded in 1718. The French settlements in this region, of no use to the French, were made by Law the basis of his notorious "Mississippi scheme."

South America and the West Indies.—In 1663 the French formed a settlement called Cayenne, in Guiana; and, after many contests with the English and Dutch, remained in possession of the colony, which, however, has never been of much importance: only ninety families inhabited it in 1750, who, with the aid of one hundred and twenty-five Indians and one thousand five hundred negro slaves, cul-

tivated thirty plantations. Sugar, coffee, cacao, cotton, and arnatto were produced. On the Gabriel plantation an attempt was made to raise pepper, cloves, and nutmegs, all of which succeeded fairly except the nutmeg, and even that met with partial success. The buccaneers preying upon Spanish commerce were masters of the smaller West India Islands for a considerable period, and sold them as private property. England and France eventually became their chief possessors. France claimed Guadaloupe, Martinique, and part of Hispaniola (St. Domingo, or Hayti). The importance of these possessions was perceived more and more as the consumption of their produce increased at home.

San Domingo, or Hayti.—This island, or rather the smaller half ceded by treaty to France in 1677, proved to be so eminently favourable to the growth of the coffee plant, that the produce for a long while exceeded the whole quantity from the rest of the West Indian Islands. In 1774 its exports amounted to 353 cargoes, of the value of 82,000,000 livres. Of sugar, there were exported 147,508,000 lbs., in addition to large quantities of indigo, cacao, roucou, cotton, leather, timber, silver and other metals. Its population in 1779 consisted of 32,050 whites, 7,055 mestizos, and 250,000 negro slaves; at the same date the island cultivated 590 plantations. The French regarded Hispaniola as the most valuable of their colonial possessions, and therefore paid great attention to its development. The agricultural produce in 1790 had reached the yearly value of £8,000,000.

Martinique, the most northward of the Windward Islands, was colonised by the French in 1635. It was several times taken by the English, but finally restored to France, in whose possession it still remains. There were upon the island in 1778 as many as 257 plantations, cultivated by 12,000 whites, 3,000 free blacks and mulattoes, and 80,000 negro slaves. The number of coffee trees amounted to 16,605,869; of cacao bushes, 1,430,020; and of cotton plants, 1,648,550.

Molasses, rum, and cloves were likewise amongst the products of the island.

Guadaloupe, colonised in the same year as Martinique, had a similar history, and resembled that island in its produce and commerce. Its population in 1777 was as follows: whites, 12,700; free negroes and mulattoes, 1,350; slaves, 100,000. The value of its exports in the same year, without including miscellaneous produce, is thus summarized:—

Commodities.						Value.
Sugar .	.	.	.	.	.	7,137,900 livres.
Coffee .	.	.	.	.	.	2,993,860 „
Indigo .	.	.	.	.	.	1,222,529 „
Cacao .	.	.	.	.	.	71,651 „
Cotton .	.	.	.	.	.	1,298,437 „
Hides .	.	.	.	.	.	6,973 „

Molasses, rum, copper, and dye-stuffs were also exported. Manufactured articles from France were principally given in exchange for these colonial commodities.

French Settlements in Africa: the West Coast.—The French acquired possessions on the river Senegal about the years 1674—75. Earlier a few independent traders from Normandy possessed stations at the mouth of the river, which were purchased by the West Indian Company projected by Colbert. Settlements were formed, and merchants traded along the banks, where they established depots, whither the natives brought their produce, consisting mainly of slaves and gold, which they offered in exchange for fire-arms, powder, Indian goods, iron, cutlery, tobacco, rum, coral, amber, and trinkets. A fortress was formed on an island near the coast, as a place for the safe deposit of merchandise.

The West Indian Company, with larger objects in view, resigned the control of this petty settlement, which thereupon fell to the government. These stations were never colonies in the proper sense of the term, inasmuch as no territory was possessed beyond the bare site of the factories,

the deadly swamps of the region rendering it unfit for the permanent residence of Europeans. Nevertheless, the value of the merchandise tempted adventurers to defy the climate, and not only the French, but the Portuguese, the Dutch, and the English established trading settlements. Twice between 1674 and 1724 the French expelled the Dutch from Senegal, from which time they held undisputed possession of the coast till the year 1758. From this date to 1783, the station was more than once taken by the English, but was restored to France at the peace concluded in that year. In 1787—89, a fleet of a hundred and eight vessels was engaged in the Senegal trade, of the gross burden of 38,596 tons, and carried cargoes of the value of 18,256,000 livres.

Gambia.—Settlements were attempted on the river Gambia, but with very partial success, owing to the interference of the English, who in 1697, and again in 1713, compelled the traders to abandon their factories. The possession of the fortified island of Goree, near Cape Verde, and of the factory of Albreda, on the Gambia, with the nominal sovereignty over some extent of coast, are all that resulted from the efforts made by France in this quarter.

Madagascar.—Colbert's East India Company planted four promising settlements in Madagascar. The first attempt was made in 1665. Owing to the unhealthy climate of the coast, and the warlike character of the natives, but much more to the profusion, fraud, and provocation of the officials, none of these settlements prospered. The natives rose upon the French in 1672, and massacred them without distinction.

A century afterwards, an equally unsuccessful attempt to colonise the island was made by an adventurer named Beniowski.

Bourbon, still, under the name of Réunion, one of the principal colonial possessions of France, was settled in 1642, but attained commercial importance only in the succeeding century. Coffee from Arabia was introduced into

the island with great success. Bourbon lacked a good harbour, one essential condition of a commercial colony. When, therefore, the Dutch in 1712 left their settlements in the Mauritius, the colonists of Bourbon landed, and annexed the island, giving it the name of the Isle of France.

Mauritius.—La Bourdonnais' enterprising genius saw the capabilities of this island as a place of call, and as a depot for the French East Indiamen. A capacious bay existed on the north side, with safe anchorage and shelter for ships of the largest size. The island had a clear sky and a delightful climate, abundance of wood, provisions, and pure water. The harbour of the Mauritius, therefore, became a first-class naval station for the French, especially in connection with their East Indian possessions.

The chief produce of the island was sugar, which formed nine-tenths in value of its exports. Indigo, cloves, and choice woods, though no large timber, were also produced.

Asia: French East India Company.—Many expeditions to India had been made earlier than the time of Colbert's East India Company, chartered in the year 1665. The first French ships, of which there is any record, that succeeded in reaching India, were two despatched from one of the ports of Brittany in 1601. These ships were, however, wrecked on the Maldivé Islands, and their commander did not return to France for ten years. Voyages were undertaken in 1616, 1619, and again in 1633, of which the most that can be said is that they met with no great disaster. The attempt to found settlements in Java and Madagascar, which was the object of these voyages, completely failed.

The first operations of the French East India Company were to establish factories in Hindostan. Surat, a large commercial city at the mouth of the Taptee, was fixed upon for the principal depot. The abuses and lavish waste of the officers entrusted to carry out Colbert's plans, brought the company to an end in five years.

An attempt in 1672 to form a colony at Trincomalee, on

the north-east coast of Ceylon, was frustrated by the hostility of the Dutch. Afterwards the French made an attempt on Meliapoor or Thomé, belonging to the Portuguese. They were soon expelled, and the survivors sought refuge at Pondicherry, a small town which they had purchased on the same coast of the Carnatic.

In 1693, Pondicherry was taken by the Dutch, who improved the fortifications and general condition of the town. At the peace of Ryswick, in 1697, the settlement was restored to the French. For half a century Pondicherry shared the neglect common to French colonies, and owed more to the probity and discretion of its governors than to the home government. M. Martin, and subsequently Dumas, saved the settlement from ruin. They added to the defences; and Dumas, being in want of money for public purposes, obtained permission from the King of Delhi to coin money for the French settlers. He also procured the cession of Karikal, a district of Tanjore. On the other hand, several stations and forts had to be given up.

In 1746 La Bourdonnais, governor of Mauritius, attacked Madras, and compelled it to surrender. Dupleix, as governor of Pondicherry, claimed the supreme power in India. The two commanders could not act harmoniously. La Bourdonnais was recalled, and after suffering a long imprisonment in the Bastille, was only liberated to die in poverty. In 1748, Admiral Boscawen and Major Lawrence made an unsuccessful attack upon Pondicherry. The Peace of Aix-la-Chapelle between England and France restored Madras to the former in the same year. After the recall of La Bourdonnais, Dupleix, by his prudence and energy, greatly increased French power and influence in India, and almost overthrew that of the English. His statesmanship was assisted by the military skill of Bussy. Trichinopoly, the sole remaining possession of Mohammed Ali, the chief friend of the English in India, was besieged by the French. They were, however, obliged to abandon the

siege by Robert Clive, who subsequently defeated the investing army. In 1756, Dupleix stirred up hostility in Bengal against the English, and Calcutta was taken by Surajah Dowlah, but recovered by Clive, who, by the decisive battle of Plassey, 1757, destroyed French prestige and power in Bengal. Dupleix was recalled not long after. On his return to France he fruitlessly strove to obtain an audience with the king. Broken-hearted at this neglectful treatment, he did not long survive. A gleam of success was shed over the French cause in India in 1758. The Comte de Lally, who succeeded Dupleix, brought out a considerable French force, and for a time carried all before him. The French and their native allies were, however, defeated at Wandewash in 1760, by Sir Eyre Coote. The unfortunate Lally returned to France, and, according to Macaulay, was executed with ignominy. Pondicherry, Mahé, and some other possessions in the Carnatic were restored to the French by the peace of 1763. Permission was given them to build several forts, and to place in them garrisons not exceeding sixteen men. Subsequently Pondicherry was taken and retaken several times alternately by the English and French.

At the peace of 1763 Martinique and Guadaloupe were more flourishing than when they were taken by the English, and continued to prosper after their restoration by treaty.

French commerce in the Levant languished for a long while, in consequence of Dutch superiority both in the number of their vessels and in nautical skill. When the commercial power of Holland began to wane, with the rise of that of England, French vessels multiplied in the Mediterranean, carrying wine, brandy, artistic work, and textile fabrics in silk, linen, and wool, to the ports of the Levant, and returning with Oriental produce and silks from Italy and Greece.

The commercial intercourse between France and the rest of Europe comprised every staple of importance. Spain and its colonies were furnished with almost all the necessary products of industry and skill ; for Spanish arts and manufactures had not revived since the impolitic expulsion of the Moors, and the universal state of neglect of industry consequent upon the influx of American gold. Merino wool from Spain was the chief commodity obtained in exchange next to gold. Its fine quality enabled the French in the course of a short time to surpass the English in their woollen manufactures, and to obtain higher prices for their fine cloths.

A small quantity of wool was obtained from England. Russia, Scandinavia, and Germany supplied France with wood, iron, and metals ; Holland with oxen and dairy produce, and Belgium with lace. Fine linen was obtained from both Germany and Holland. At the outbreak of the French Revolution French trade, compared with any previous era, may be described as flourishing. After many intermissions of commercial intercourse between France and England, a treaty was finally negotiated for a mutual interchange of produce. Wine and brandy were sent to England, and English manufactures to an enormous extent began to enter the ports of France, till at last a general outcry was raised that their admission was detrimental to French industry. Thus, while the ready consumption of English goods proved how well they supplied a national want, an ignorant fear of free commerce, which led to a burdensome multiplicity of industrial regulations enforced by police enactments, insisted that the country would be better without them. Unhappily for France, her advances in colonial trade and manufactures were more than counterbalanced by the retrogression of husbandry. Farmers were nearly everywhere poor renters of their holdings, weighed down by tithes and heavy imposts, while their lords lived far off in the manufacturing or maritime towns, or in Paris,

squandering the incomes which they had wrung from their miserable tenants. Pauperism prevailed in every province : husbandmen were without cattle, manure, and implements. The mischievous system of fallows was pursued, till much of the best land lay untilled. Hemp and flax were so poor in quality, and so deficient in quantity, as hardly to affect the imports of material for the linen manufacture ; and wool to an equally small amount was produced for the supply of the cloth-weavers. These grievous evils reached their climax in the last half of the eighteenth century. Colbert's policy of prohibiting the export of corn, which was still pursued, succeeded in keeping it down to the lowest price, but did not sufficiently stimulate its cultivation. The war, too, reduced the number of agricultural labourers. Several inadequate efforts were made to modify the national distress, but it was too deeply rooted for alleviation. The restrictions upon the internal traffic in corn were removed in 1763, and dealers were allowed to send it from one province to another duty free. Previous to this time, if corn had been sent from one end of France to another, state charges would have eaten up its value in passing through each successive province. Such incidental efforts failed to effect any good. They were well meant, but were disconnected and proved totally inadequate. No systematic course, based on true economic principles, was pursued.

At this juncture the ameliorator of agricultural distress was François du Quesnay, born at Merci in 1694, died in 1774. He was the court physician under Louis XV., but interested himself in the grave social questions of the day. Du Quesnay controverted the maxim of Colbert, that money made the wealth of a country. Money, he said, was but one form, and that not the most important, of a nation's wealth, which consists in the sum of the utilised resources of the country. "If we cultivate our lands," he thought, "manufacturing industry will take care of itself."

Du Quesnay was the chief leader of the new school of economists, whose voice then first began to be heard in advocacy of freedom of commerce, manufacture, and of consumption. The prohibition of printed cottons especially, which led to wholesale smuggling, was attacked both in pamphlets and in speech as a typical instance of the tyranny and mischief of protective privileges. The mendicity which covered France was proved to be greatly due to the evils of close guilds, interfering with and limiting the productiveness of every stage of industry. Let us leave industry and commerce free, was Du Quesnay's maxim, and we give free scope to the soil, the source of all wealth. While aiming to improve agriculture he was led to denounce monopolies, patents, inspections, and government agencies, as mere loss subtracted from the value of the produce derived direct from the soil. His principles led both him and his school to the advocacy of perfect industrial and commercial freedom. It was, however, beyond his power to alter the aspect of affairs. Land was overburdened with imposts, and no profit attached to its cultivation. In 1770 the corn restrictions were capriciously reintroduced, and only five years later more violent remedies were needful. The hatred of a long-suffering people was ready to burst into flame, when Turgot in 1775 swept away the tithes and the corn laws, opened up the waste lands to cultivation, introduced the merino sheep to improve the native breeds, paid off fifteen millions of debt, improved the roads, freed the interior transport from onerous dues, and established postal services.

Turgot was a distinguished disciple of Du Quesnay. He was a man of great and noble powers, and gave his profoundest study to the problems of political economy, upon which he wrote with the force of conviction and the clearness of insight. He avoided the error of his master, who slighted the part played by manufactures and trade in the production of wealth, even while he regarded the soil as the prime source of all wealth. He ardently

believed in the doctrines of free industry, and as the controller-general of France he put them into practice. As a prelude to his great reforms, Turgot relieved the glass-makers of Normandy from the obligation of supplying the Paris glaziers with glass at a price fixed by law beforehand; he threw open the trade of steel-polishing, suppressed many minor abuses, and struck terror into the hearts of those who saw in his proceedings a menace to the system by which they had been unjustly enriched. Turgot's fame as a minister and an economist rests principally upon the six famous edicts for the enfranchisement of labour, issued in the year 1776. These edicts abolished the system of forced labour, by which the inhabitants of the country districts had been compelled, at the capricious will of the nobles, to yield unpaid services for days together, with their horses and carts, either in the harvest-fields or in the construction of roads. Many mischievous regulations and offices, designed very probably to facilitate the supply of food to Paris, but which had only trammelled the markets and had been specially inimical to the supply of corn, were put an end to in the mass. Industrial guilds were almost without exception suppressed. Singular and irksome burdens were likewise removed from the butchers and the tallow-chandlers, which latter had not hitherto been allowed to make individual purchases of tallow, but were obliged to buy through, and in the name of, their corporation. Turgot had to stand alone in combat against inveterate abuses of every kind, the efforts of those who profited by these abuses, against stolid indifference and still more stolid ignorance. These measures were now too late—the process of renovation was too slow. The minister was resisted by a servile and corrupt court, and the respect of a well-meaning but feeble king was no defence; the masses were encouraged to resist. The American War called for new sacrifices when the people had scarcely anything left to sacrifice. For some time Turgot stood firm against the storm, but he felt that his hour

was come. In 1776 he was dismissed by the king, and with him went from the royal councils the spirit of justice and liberty that promised so much for France. The country instead of improving rapidly grew worse. Importations of corn could not always be obtained to supply the deficiencies of the scanty home growth. In 1788 and 1789 there was want of bread.

The peculiar scheme of the Mississippi bonds, which made the regency of Louis XV. disastrously memorable, forms a proper addendum to the history of this period of French commerce. France, England, and Holland were seized about the same time with a similar irrational and reckless gambling mania, which entailed upon them alike national demoralisation and wide-spread ruin. The Dutch Tulipomania and the English South-Sea Bubble were represented in Paris by the Mississippi scheme, launched by John Law. The promoter of the company, the son of a Scotch goldsmith, was a daring financier. He proposed to the Duke of Orleans, Regent of France, a plan to liquidate the vast debts with which the ambitious schemes of Louis XIV. had burdened France. These were such an incubus on the industry of the nation, that the whole annual revenue scarcely sufficed to meet the interest. A means of removing the burden would indeed have been acceptable. Law had previously founded a private bank with a capital of 6,000,000 guilders. He offered to accept at par all the government securities then afloat, although their market value was but 50 per cent. As an equivalent, the bank was to be declared a state bank, and its notes were to pass as current money. Shares in the state bank were secured upon the produce of the gold mines in Louisiana, the direction of which was to be controlled by a Mississippi company. Although gold had not as yet been found in that region—and its geological structure proves that gold never will be found there—shares in the company were eagerly sought. Money poured into the bank treasury, and Law was enabled to declare a dividend of 40 per cent.

to be paid in bank notes. The desire to purchase shares now amounted to a frenzy. The Hôtel de Soissons, in Paris, was besieged by all ranks. Government loan notes were tendered, not for purchase at par, but in payment for shares, if the proprietors were but fortunate enough to get registered. Notes continued to issue till the country was overwhelmed by them. A dividend of 100 per cent. was as easy as that of 5 per cent. when paid in a paper currency, the amount of which was limited only by the means of printing. Government proclamations of the most mischievous as well as absurd character were issued, in order to meet the difficulties of the moment. Owing to the disappearance of coin, it was decreed in 1719 that the bank notes should have the preference as a legal tender. Payments for purchases of a value above 6 livres were illegal, except in paper money. A second edict made it penal to pay more, under any circumstances, than 10 livres in silver and 300 in gold. Again, in 1720, under the belief that coin was being hoarded, people were forbidden to keep at home a sum in coin exceeding 500 livres, or to use any medium of payment for amounts over 100 livres except bank notes. Still money disappeared. The resources of charitable institutions, orphan schools, hospitals, and almshouses were demanded by the state, and exchanged for paper. Finally, the penalty of confiscation was proclaimed against all who should, from the date of the proclamation, keep gold or silver in their houses, whether coined or uncoined, instead of exchanging it for paper money.

With nothing left to confiscate, even arbitrary power was at a loss. The precious metals appeared to have left the country. Foreign merchants could not be compelled to take paper instead of gold, nor could they be prevented from paying in French notes for the goods they bought. Discontent and fear led to hoarding, in spite of proclamations. The medium of exchange was at length reduced entirely to paper. Trade, both foreign and domestic, became paralysed.

Law was for keeping paper money at its legal standard value. The Regent thought to lessen the debts of the state by reducing the notes to half their legal value. Persisting in this course in spite of Law's advice, he destroyed public credit and brought about a panic. The Bank was unable to meet half the demands for specie payment with which it was besieged, and its notes lost all their value. Ruin and despair spread throughout the kingdom. A few were made rich, but thousands were impoverished. Insurrection was imminent, and with great difficulty prevented. The result of an investigation instituted by the Regent proved that nothing but worthless paper remained to represent deposits of 2,000,000,000 livres. That Law believed in the scheme he promoted is more than probable, for he died destitute at Venice. Nor was the Regent enriched. The political consequences of this disaster were as detrimental to France as were the commercial results. Law, in the plenitude of his power, was the controller of the state, and with a stroke of his pen had made trade and labour free throughout the land; for why protect production while wealth flooded France, through the agency of the bank? The reaction was the more bitter and severe. Public opinion, rushing to the opposite extreme, called for the re-imposition of fetters upon industry, the chafing from which created new resentments, which in another reign grew uncontrollable.

We cannot at this distance of time easily estimate the credulity of a nation, led away by the delusion that enormous state debts could be paid off with mere paper in lieu of money, and fortunes be made in the process. Yet a similar delusion prevailed in England, and in the Netherlands. Men's minds had become familiar with vast and rapid profits in connection with the Dutch companies. If the East or West India Company could return 100 per cent. on capital, why not the Mississippi? why not the South Seas? Many schemes for paying off the

national debt of a country have been devised, but nothing of a corresponding character to that of Law's. Our celebrated Sinking Fund, whereby we thought to pay old debts by incurring new, was quite as foolish, although it was not leavened with fraud.

CHAPTER V.

ENGLAND.

THE Wars of the Roses prolonged the infancy of British commerce, but its development was even still more retarded by the hostile leagues formed on the Continent. The Hanse and its allies would allow no participator in their profits, and till the times of Henry VIII. and Elizabeth denied to the English the opportunity of conducting the foreign trade of their own country. The *Great Harry*, built during the reign of Henry VII., was the beginning of that navy which defeated the Invincible Armada in the reign of Elizabeth, and at a later period gave to England supremacy on the ocean. Naval power benefited commerce. As soon as England was able to protect her merchant-shiping and to make reprisals at sea, piracy declined, system was introduced into naval warfare, and respect was secured for the English flag. We may date, therefore, from this comparatively settled period the rise of our national commerce. Records still extant of the manners and customs of the times, show us clearly the nature and rate of our progress since the Tudor period. Sir Walter Raleigh "hated those nasty new oke houses and chimneys;" his reason being, that "when our houses were builded of willow, then we had oken men, but now our houses are come to be made of oke, our men are not only become willow, but a great many are altogether of straw." He also advocated the continuance of the plan of allowing the smoke to find its way out by chinks and crannies; for "just as it hardened the timber of the house, so did it

season the body and keep the good man and his family out of the hands of the quack !”

By an ordinance of the king in 1526; it was provided that the scullions in the royal kitchen should be furnished with proper clothing, and should not “go naked, or in garments of such vileness as they now do, nor lie in the nights and days in the kitchens or ground by the fireside,” the reason being given “for the better avoyding of corruption and uncleanness, out of the king’s house, which doth engender danger of infection, and is very noisome and displeasant.”

Erasmus ascribes the plague from which England was hardly ever free, and the sweating sickness, to the “uncommodious houses, the filthiness of the streets, and the sluttishness within doors.” He describes the floors as “of clay strewed with rushes, under which lies an ancient collection of beer, grease, bones, and everything that is nasty.”

Wolsey’s custom when going to Westminster Hall was to carry an orange, the pulp of which had been replaced by a sponge saturated with essences, “the which he smelt into, to avoid the pestilent odours from the suitors.”*

Before the end of Elizabeth’s reign much of this was changed. Houses began to be built with a view to domestic comfort, rather than for defence. Tasteful furniture displaced the rude household arrangements of earlier days. Towns increased in size and importance. Rich raiment and choice food from Holland, Italy, and the East found their way to the dwellings of the wealthy. French, Spanish, and Rhenish wines, from being the exclusive luxuries of the court, became the beverage of the middle classes. It was the cherished object of the Tudor dynasty to exalt the wealth and power of England. Henry VIII. and Elizabeth were often arbitrary, legislating for the moment and not for time ; yet they never displayed the blind perversity of Spain in their counsels, and abuses were not clung to the

* The above illustrations are taken from “The Babees’ Book,” edited for the Early English Text Society by F. J. Furnivall, 1868.

more obstinately the more baneful they proved. Exclusive privileges had been granted to foreigners, while the social distractions of England had obstructed native enterprise. Not only was the shipping almost wholly foreign, but Lombard, Dutch, and Hanse merchants had their establishments in England, and monopolized the most lucrative branches of trade. To such a height had this state of things proceeded, that, as a writer stated, "no man now almost buyeth of an Englishman." Foreign merchants alone could supply many commodities which had become necessities of life amongst the English, and so slow was the process of beating the quality of these products by native skill, that even when the belief prevailed that their use was a national injury, the demand for them still continued. A misdirected anger against the continental dealers was at length kindled, and in the metropolis it broke out into riot in 1517, with the cry of "Down with the Lombards and foreigners." English feeling was most strongly excited against the arrogant power and bad faith of the Hanse, whose factory in the Steel Yard of London was a state within a state, having the right of importing and exporting goods free of customs. So strong was the power of the Hanse, even after the discovery of the Cape route to India, that they set at nought the obligation they were under to open their ports to English vessels. Henry VII. and Henry VIII. successively warned the confederacy without effect. Edward VI., in 1552, decreed that the factory had lost its rights by non-observance of its charter, and that there should no longer be any difference between the Hanse and other merchants in respect to customs dues. An occasion for giving a final blow to the Hanse in England arose in Elizabeth's reign, when the emperor Rudolf II. shut up all the factories in Germany held by the English merchant-adventurers. Elizabeth seized the opportunity, and by closing the Steel Yard removed the chief shackle upon British trade.

The dissolution of the monasteries by Henry VIII. was regarded by his subjects with a passive submission, if not with satisfaction. The time had passed when these religious communities were the only patrons and encouragers of artificers and husbandmen. The distribution of the Church lands tended to improve agriculture, and thereby to extend manufactures. Sheep were bred in larger numbers, and more wool was produced. As our natural resources were better utilised, the means of interchange were enlarged, and commerce extended. Indian spices, Turkey carpets, Muscatel, Chian, and Malmsey wines, silks, camlets, rhubarb, gums, and drugs were sought in the Levantine ports and other places of the Mediterranean. A year was allowed for the accomplishment of voyages, a fact proving the vast advance we have made in recent days in the art of navigation, and in commercial negotiation. London, Southampton, and Bristol now began to carry on a trade with various quarters of the globe in English ships. Henry VII., after the discovery of the New World by Columbus, empowered John Cabot and his sons to undertake voyages of discovery, and to plant the English flag on any city, island, or continent that they might find. It was in the right of the discoveries of John and Sebastian Cabot that England claimed the greatest part of British North America. One object of these voyages was to find a short way to India by a north-west passage across the New World, the attainment of which object was thwarted by the severe cold of the high latitudes through which the channel is now known to pass. At the same time expeditions were fitted out to explore a north-east route to India, with such assurance of success that the vessels were sheathed with lead, a new contrivance to defend the hull from the attacks of worms in the tropical seas. In the first of these expeditions, A.D. 1553, Sir Hugh Willoughby and the crews of two vessels perished from cold on the Lapland shores. Richard Chancellor, commanding the third vessel, reached the White Sea, a

place where he "found no night at all, but the sun always shining." Ivan Vasilovitch (Ivan IV.), the Czar of Muscovy, hearing of the arrival of the strangers, sent for them to Moscow, received them with favour, and entered into correspondence with the English sovereign for the purpose of opening up a trade. Chancellor, in 1555, again visited the Czar, under the auspices of the Incorporated Society of Merchant Adventurers, and gained permission to settle and trade in any part of the Russian dominions, exempt from any toll, tax, or impost. The first cargo was a valuable one, and with it an ambassador and ten Muscovite nobles came to England. Such was the origin of the English-Russian Company; the success of which was much aided by the umbrage the Czar had taken at the insolence of the Hanse, whose representatives were expelled from his dominions, and whose extensive commerce was transferred to the new merchants.

Insurmountable difficulties beset the north-east maritime passage to "Cathay," as the regions of China and India were then called, and Anthony Jenkinson, one of the leading directors of the Russian Company, afterwards the envoy of Elizabeth at the Muscovite court, undertook a journey overland. Sailing down the Volga, he arrived at Astrakhan, when he started for Persia, and finally reached the city of Bokhara. His report, after a survey extending over two years, was unfavourable; the length and difficulty of transit, together with the sterile character of the districts through which he travelled, being more than enough to render trade along the route unprofitable.

British trade with the west coast of Africa was initiated in 1562, by Captain J. Hawkins, who obtained by barter a valuable cargo of gold, gums, and ivory. His voyage was unenviably notorious as having given rise to the English traffic in negro slaves.

Elizabeth, of all the Tudors, promoted British commerce most effectually. She deprived foreign merchants of their

privileges, forbade foreign vessels to enter English harbours, granted numerous monopolies to encourage home enterprise, and in every way, according to her judgment, assisted the country in gaining the foremost place in the race for prosperity. We can see that some of these restrictions did harm instead of good; that the community at large was debarred the enjoyment of many useful commodities, and was made to pay dearer to native traders for worse articles than could be got abroad. The nation at large in this manner was taxed for the benefits of special interests—the many for the few. Under Elizabeth, monopolies became so oppressive that at length her own convictions and policy underwent a change. Patents had been granted for almost every constituent of trade and manufactures, and the prices of iron, lead, coal, and saltpetre, oil, vinegar, starch, yarn, skins, leather, and glass, were so inordinate, that her subjects openly denounced the law, and threatened tumult. The queen, however, wisely yielded, and thanked the House of Commons for calling her attention to the grievance.

England, quickened by the spirit of the age, had made progress even while impeded by these monopolies. As soon as they were removed, a fair start was taken towards a prosperity destined to surpass all other examples in history. The queen was ambitious that England should rival Spain in geographical discovery and in extent of territory. She promoted at state cost voyages of discovery. Cabot's discoveries had yielded little beyond the fisheries of Newfoundland, and these had been neglected. In 1576, Martin Frobisher, a daring mariner, was appointed to the command of an expedition for making another north-west exploration. Frobisher repeated his attempt in the two succeeding years, making in all three voyages, and bringing back a cargo of ore which was thought to contain gold, but which proved valueless. John Davis made three voyages among the polar icebergs during the years 1585—1587.

Commercially the voyages of these bold seamen were of little value, but indirectly they were of the greatest importance. The hardy sailors nursed in these perilous seas were the forerunners of those "hearts of oak" which have maintained the honour of the British flag, and conducted the vast commerce of Britain through every difficulty. Their reports of the numerous whales frequenting these seas gave rise to the British whale fisheries.

More prominent as historical facts are the voyages of Sir Francis Drake and Thomas Cavendish, who at an interval of eleven years successively sailed round the world. Their voyages, however, were little more than piratical attacks on the rich galleons of Spain, a country with which England was nominally at peace. Drake came home laden with treasure, and was received with honour. When the king of Spain remonstrated, the queen disputed the Spanish claim to America, either as a gift from the pope, or on any other pretence, and refused to recognise any exclusive right to the seas, which "neither nature nor public use and custom gave to any nation or private person." Drake's vessel was preserved at Deptford as long as it remained sound, and a chair made from its timbers is still to be seen at the university of Oxford. Success almost as great attended Cavendish, of whom it was narrated that "he set out with sails of canvas and returned with sails of silk." Drake, Hawkins, and Frobisher served against the Spanish Armada in 1588, and after its destruction Spain was compelled to yield to England the freedom of the seas, and an equal right to establish colonies on American soil. Throughout the reign of Elizabeth, English merchants were looking to India as a promising field for trade. Failure to reach India by the polar seas, both to the east and west, did not daunt adventurers. After the abortive attempt through Russia, Ralph Fitch, in 1583, tried the old path of the Mediterranean and the Persian Gulf, but was seized and imprisoned by the Portuguese at Ormuz. James Lancaster,

in 1591, with three vessels sailed in the track of the Portuguese, round the Cape of Good Hope. India was not reached, and Lancaster, with seven companions, were the sole survivors of a disastrous voyage. The determination, however, to trade with the East was not given up. The last day of the first year of the seventeenth century was signalised by the incorporation of the Governor and Company of the Merchants of London trading to the East Indies. Five ships laden with merchandise were despatched under Captain Lancaster. Their commander visited Sumatra and Java, established factories, and returned with freights of great value. The success of the enterprise, which Elizabeth did not live to see, gave promise of a vigorous growth of the new company; without, however, foreshadowing the imperial splendour which awaited it. With every increase in our mercantile marine, trade with European states, as well as that with the other continents, grew into greater importance. Our only rivals with Russia were the Dutch. Communication was carried on with Scandinavia, Denmark, and the Netherlands, Antwerp being the great commercial centre until its fall, when Amsterdam took its place. France sent us wine and linen in return chiefly for fish, and our commercial intercourse with Germany and Italy steadily expanded.

In Elizabeth's reign ship building underwent a complete change. Year by year there was less occasion for the use of foreign ships to conduct the English commerce. About three hundred and fifty vessels were pressed into the defence against the fleet of Spain. Most of these were merchant ships. As yet there existed but the nucleus of a royal navy, and many of the Spanish prizes served to swell the number of the English fleet.

During the same period improvements were introduced into agriculture and the handicrafts. In some years farm-produce was so abundant that the proportion of exports to imports was reversed, and corn was sent abroad instead of

being imported. Hemp and flax were successfully cultivated. Manufactures were stimulated by the arrival from the Spanish Netherlands of the woollen-workers who were driven thence by the persecutions of Philip II.

Prosperity in England was promoted by co-operation. There were few individual owners of large capitals, and companies administering the conjoint capital of many persons were found necessary to carry on trades which, in later days, would have been inconsiderable to private individuals. Such companies were chartered with exclusive rights and privileges for trade with Turkey, the Levant, Africa, the Baltic, and the East Indies. Almost the whole export trade, the staple of which was wool, fell under the control of the Company of Adventurers. Wealth asserted its presence in the manners and customs of the people. Splendour began to mark the style of living, not only of royalty and the nobility, but of the commercial classes. In London there lived merchants whose opulence and public spirit fitted them for state advisers, and for employment in foreign missions. The most notable of these was Sir Thomas Gresham, the builder of the Royal Exchange, until whose time London merchants used to meet in the open air, in the narrow thoroughfare of Lombard Street. Gresham was a merchant and banker, and, in the service of Edward VI., visited Antwerp forty times on financial business. He succeeded at last in relieving the government from the grievous exactions of Dutch and Jewish money-lenders, and transferring the business to native bankers. After having been knighted by Queen Elizabeth, who opened his new Exchange in person, he was ever known as the royal merchant. The romantic history of Edward Osborne, citizen and cloth-worker, who saved the life of his master's daughter by jumping into the Thames, when she accidentally fell out of the window of her father's house on London Bridge, is well known. She subsequently married her preserver, to the refusal of the Earl of Shrewsbury and

other noble suitors. From this union sprang the ducal house of Leeds. A Flemish silk-weaver, by his industry, intelligence, and skill, rose to wealth and eminence in the same reign, and left his fair fame to descendants, one of whom reached the honour and dignities of the dukedom of Radnor.

The queen's example encouraged a taste for magnificence in apparel. Her name, too, has been associated with the domestic architecture of the period. Luxury at table likewise prevailed, and sumptuous habits spread from the capital to the provinces.

For one hundred and eighteen years, under the Tudor sovereigns, England raised her head proudly amid the great nations of Europe. With the extinction of the Tudor line, the prosperity of the country was seriously arrested. Under the Stuarts the progress was slow, and production in many departments ceased. James I. revived the abuse of monopolies, till the House of Commons passed a measure which the king sanctioned, making monopoly illegal except for new inventions. To such paltry privileges did this system extend under James, who was ready to sell for ready money either a patent of monopoly or a patent of nobility, that one Sanders Duncombe enjoyed for fourteen years the exclusive right of letting out sedan chairs. The troubles during the reign of Charles I. interfered with advancement, and the administration of Cromwell was too short-lived to effect much good, although his tenure of power was signalised (in 1651) by the English Navigation Act, which, for good or evil, moulded our foreign commerce for the next two hundred years. In this interval the Netherlands recovered their previous pre-eminence, and their commerce everywhere prospered. The Portuguese, French, and Dutch, carried on a large trade with India. The industrious communities of Europe beat us in the manufacture of our own wool and in dyeing, and by the neglect of our fisheries, that industry was thrown open to the Dutch, who supplied

our markets with the produce of our own fishing-grounds. British degradation reached its lowest depth in the reign of Charles II., who suffered defeat from the Dutch and received alms from France, while he spent the naval supplies upon courtesans, leaving commerce to perish.

Cromwell's celebrated Act created a gigantic monopoly of the English nation against the world. By it, vessels built in England or a British colony were alone to be employed in the importation of goods into England from the three continents of Asia, Africa, and America; whilst European merchantmen could introduce into British ports only the produce of the states to which they belonged. English ownership of vessels engaged in foreign trade was made a necessity, and at least two-thirds of the crew were required to be native born. No foreigner was permitted to trade in any port of the British empire at home or abroad, under the penalty of forfeiture of his stock-in-trade. The weak points of this measure may be easily indicated. If it were no benefit to the English for Dutch ships to bring Indian produce, the English could have prevented it by ceasing to deal with them, and an Order in Council would have been needless; but if it were a benefit, the English cut themselves off from it. The Dutch had been encouraged because they supplied English wants well and cheaply. To reverse these arrangements was to have them worse supplied for the future, and at a greater expense. The prosperity observable afterwards was in spite of, rather than in consequence of the new law, and is an example of coincidence mistaken as it often is for causation. A comparison between the foreign commerce of England and Holland, after the experience of half a century, shows the working of Cromwell's policy, which primarily arose out of animosity to the Dutch, whose trade it was intended to cripple. Its first result was, however, a war between Holland and England, which lasted for three years. Before the close of the seventeenth century we find that our trade with Russia and

Greenland had been reduced to comparatively nothing ; while the Dutch had not only added ours to theirs, but had deprived us of our herring-fisheries and underbidden us for the Spanish wool trade. English trade with India was declining, but the Dutch trade had largely increased. In fine, the Act had not, as was intended, induced the English to become more active merchants, and to seek for themselves the commodities once brought to their doors, but had very perceptibly decreased the influx of these commodities. The Navigation Act continued in force, however, till times quite recent, when its fallacious principles fell before a clearer knowledge of economic science.

Although the Navigation Act was thus, perhaps, a check to progress instead of a stimulus to production, yet the security from competition so long enjoyed encouraged the growth of wealth. English ships began to engage in foreign trade, and were seen in the free harbours of the republic, trafficking with the Dutch, while the latter were prohibited from entering the English ports, if laden with other than their own productions. The English gradually supplanted the Dutch, and by degrees got hold of much of the carrying trade which had been the chief source of the wealth of Holland. The Baltic and Mediterranean ports were shortly supplied from England direct. English husbandry meanwhile improved, though it did not excel that of the Dutch ; and English manufactures also every year advanced. Cromwell's energy for a time directed affairs ; war soon ceased, and prosperity became more general than it had been for the two preceding generations. The era of the Stuarts gave birth to the cotton manufactures of our country. Cotton wool was imported from the Levant, and at first only used in mixed fabrics. Manchester was the earliest, as it afterwards was the greatest seat of this industry.

The modern system of banking was introduced about the same time. It had been usual for merchants to deposit their surplus funds in the Mint for safe custody. Charles I.

seized these funds as a forced loan, and thus by a breach of faith destroyed the government credit, and, as the inevitable result, put an end to the custom. City goldsmiths of high repute were now entrusted with valuable deposits. They paid the merchants interest, and gave receipts which were negotiable like modern bank-notes. These goldsmiths were also the resource of the government when money was needed; they made advances on the mortgage of future revenues. At a later date, these custodians and lenders of money merged into bankers.

Another important aid to industry and trade, that of the post, was reduced to a system during Cromwell's Protectorate, with a government guarantee of security. Many modes of conveying letters had been in vogue before this time, but it was reserved for Cromwell to substitute for the ineffective machinery of private hands the prompt, efficient, cheap, and trustworthy control of a government department. By the Act of 1656, a postmaster-general was appointed, and foot-posts, horse-posts, and packet-boats were thereafter forbidden to private persons for postal purposes. One object of the Act was to discover wicked and dangerous designs contrived against the Commonwealth. Government still possesses the right of opening letters passing through the post.

Scotland.—The kingdom of Scotland, during this time, was in a far ruder condition than England. The desperate struggle necessary in order to regain independence, the devastating wars with the English, and, at a later time, domestic broils and religious animosities, checked trade. The Highlanders had hardly emerged from barbarism. Don Pedro de Ayala, the Spanish envoy, who knew Scotland well, and was a personal friend of James IV., in a letter to Ferdinand and Isabella (1498), described the Highlanders as "the savages who inhabit some parts of Scotland and the Isles." Agriculture was backward. Manufactures were few and rude. The ancient forests of the country, of which the

names, applied to treeless regions, still survive, had been burnt down during the wars, and it required strict measures on the part of the government to secure the planting and preservation of timber enough for the ordinary purpose of husbandry and building.

“The commencement of the sixteenth century shows Scotland making effective progress as a naval power. To the making of such a power there go three things—a great sea-board, an enterprising population fond of the sea, and available wealth, or, as it is called, floating capital. Scotland eminently possessed the first qualification, and her people inherited enough of the old Norse blood to supply abundance of the second (as they still do). King James IV. took a deep personal interest in the progress of a shipping force, and felt great delight in visiting the building-yards and encouraging inventions in shipbuilding. It was his ambition, as it has been that of others in later times, to create a ship that should be the wonder of the seas. ‘In the same year [1511] the king builded a great ship called the *Michael*, whilk was ane very monstrous great ship. For this ship took so mekil timber that she wasted all the woods in Fyfe except Falkland wood, forby the timber that came out of Norway. For many of the shipwrights in Scotland wrought at her, and wrights of other countries had their device at her, and all wrought busily the space of an year at her. This ship was twelve score foots length; thirty-sax foot within the walls. She was ten foot thick within the walls of cutted risles of oak, so that noe cannon could do at her. When she was committed to the sea and under sail, she was cranted to the king to forty thousand pound of expenses, forby her orders and canons whilk she bare. She had 300 mariners to govern her, 6 score gunners to use her artillery, and ane thousand men of war—by captains, skippers, and quarter-masters.’—*Lindsay of Pitscottie*. The impulse given to naval architecture in Scotland is evidently due to peace having brought prosperity to a people naturally

fitted for that form of enterprise. There were, however, external as well as internal conditions necessary for the nourishment of shipping and trade. Suppose a community to have every possible means and aptitude for becoming a great shipping state, if there is at hand a larger state with the same qualifications, which deals with its neighbour as an enemy ever to be attacked and injured, the shipping of the smaller will be swept from the sea, and all its efforts to grow into a naval power be blighted. So it was with Scotland. The brief growth of a shipping power, mercantile and warlike, at the conclusion of the fifteenth century, is due to Scotland having become rich at a time when England was enfeebled and impoverished by the Wars of the Roses. When the greater nation recovered its strength, the expansive power of the smaller was checked. In the direction of navigation and foreign trade, Scotland was engaged in a hopeless struggle with England down to the time when, under Cromwell, the nations were united with common encouragements and restraints. The contest broke out again at the Restoration, and its last incident was just before the incorporating Union, when Scotland, in reprisal for injuries committed by England on her shipping, seized an English vessel in Scottish waters, and hanged the crew for piracy."*

Ireland.—Cattle-grazing was the principal occupation of the Irish; tillage in comparison being insignificant. There were a few manufactures of leather, coarse woollens, and linen, which, with hides, hemp, flax, and linen yarn, constituted the bulk of Irish wares. Trade was almost confined to England, though, to a small extent, it was carried on with Antwerp. Ireland, however, was much neglected by her rulers, and her great natural resources were unimproved.

* "History of Scotland," by J. H. M. Burton, vol. iv. p. 232.

I.—COLONIAL HISTORY.

DEVELOPED through numberless disasters, our vast colonial empire, in its birth and early history, shed a lustre upon the glorious reign of Elizabeth. The tragic fate of many bold men acted like a charm on the venturesome spirits of others. While the primary object of their voyages was often impossible of attainment, unexpected results made up for seeming failures. Sir Humphrey Gilbert's fatal expedition in 1583, in search of the North-West Passage, led to the colonisation of Newfoundland, and fired the emulation of his half-brother, Sir Walter Raleigh, to undertake the establishment of other American settlements. Raleigh explored the continent further south, and took possession of a tract to which, in honour of the queen, he gave the name of Virginia, and which included the present state of that name and also Maryland. The first settlement was made in 1585, on the island of Roanoke, now uninhabited. Quarrels with the natives of the interior, and scarcity of provisions, induced the colonists in the following year to return home in the fleet of Sir Francis Drake. Another effort in 1587 ended more disastrously. The emigrants with their wives and families were equipped with all the essentials for farming, but the first objects which met their gaze at Roanoke were the blanched bones of the guard of pioneers, all of whom had been murdered by the Indians. The first child born of English parents on American soil was the daughter of Governor Dare, named from the place of her birth Virginia. The fate of the early settlement is still involved in doubt. All the colonists had disappeared

in 1589, when the spot was again visited ; whether carried off or massacred by the Indians has never been ascertained. Seven times Raleigh essayed to plant colonies in Virginia, and shattered his fortune in these attempts. His memorial remains in the name of Raleigh City, the capital of North Carolina, thus designated in his honour two centuries after his death. Failing in North America, he changed the field of his exploits to Guiana, whither he conducted a small community. The hardships, dangers, and eventual failure of this colony are also matters of history ; and equally so are the subsequent persecution and fate of the valiant leader. British colonisation during the Tudor period was not a success. No plantations took root in Virginia till the year 1607. In the previous year, King James I. had granted Virginia and New England respectively to the London and Plymouth companies, which had been instituted to promote colonisation. All the territories between 34° and 40° north latitude were made over to the first company, and those between 40° and 45° to the second, for twenty-five years, with authority to levy dues upon all foreigners settling among them. Sommers and Gates were the governors of the London Company. A reservation was made of a royalty of 20 per cent. on all silver produced, and of one-fifteenth of the value of all other minerals. The king likewise retained the right of appointing a governing council of fifteen persons. Under these conditions nine thousand planters went to Virginia. The evil fate of the early settlers pursued them. At the end of twenty years, instead of the population having increased, there were but eighteen hundred emigrants alive. Sickness, disunion, and attacks by the Indians had combined to carry them off, and more than once the colonies were on the point of breaking up. At one time a station of sixty colonists, reduced to that number from five hundred living there six months before, had embarked for Newfoundland, when they were dissuaded

by the opportune arrival of Lord Baltimore, with new emigrants and stores. Lord Baltimore was a Roman Catholic, and wished to propagate his own faith, but, wisely preferring the good of the colony, he prevailed upon the settlers to establish a free asylum for every kind of worship and creed. The colonists took no part in the civil wars of England, beyond welcoming the disaffected of all parties. When, however, liberty of thought seemed secured by the triumph of the Parliamentary party, many exiles returned home. Their places were filled afterwards by Catholics, Puritans, and Quakers, who had suffered from home persecutions.

Amongst others, the Pilgrim Fathers in 1620 planted themselves in New England. The conquest of Jamaica by Cromwell in 1655 was but little appreciated, yet it brought eventually a great accession to English commerce. For fifty years the Dutch contended with the English, who at the end of that time were left in undisputed possession of the Dutch settlements, whereupon the name of the Dutch capital was changed from New Amsterdam to New York. Carolina, Rhode Island, and Connecticut were founded in the reign of Charles II. Causes of the most diverse character—voluntary emigration and enforced exile, political and religious persecution—increased the population of the colonies. A special impetus was given by the arrival of two thousand skilled operatives, the majority cloth-workers, whom the terrors of the great plague of 1665 had driven from London. Political as well as religious liberty fostered the prosperity of these colonies. William Penn set the example of peace and freedom, and thereby attracted the Huguenots to settle in Charlestown and Carolina. Foreigners immediately upon settling received the rights of citizenship. German communities emigrated in a body to obtain these privileges, and the tide of colonists gained still greater proportions at the opening of the eighteenth century. The colonies moreover

were early used as penal settlements for criminal and political offences. One other element of population was that of slavery. Two citizens of Boston traded to Guinea for negroes; but the cargo they brought home excited indignation throughout Massachusetts, and was carried back to Africa at the public expense, while the slave-traders were denounced and punished for a crime against the laws of God and the country. Virginia, however, yielded to the temptation of cheap black labour, and initiated in the south a traffic whose future dimensions, could they have been foreseen, would have appalled the colony. Under William III. England began to derive visible benefits from her dependencies. It was perceived that the colonies possessed exhaustless resources in the iron and copper, the timber, tar, potash, and other forest products; the corn, rice, hemp, flax, tobacco, and indigo, which were of more economic value than the gold mines of Spain. The parliament remitted the customs on produce brought from British North America, in order to encourage its cultivation. In the ensuing reign bounties were even offered upon ships, timber, and other useful commodities from the same parts.

The injustice of the Navigation Act was soon evinced in relation to the colonists, who evaded its articles with impunity whenever it interfered with their profits, sending their goods to French and Dutch markets if better prices could be obtained. England was placed in a dilemma. At first the stringent provisions of the Act were qualified in favour of the colonies. The British at home then complained that their rights were infringed. Still no argument could persuade the colonists to sell their wares to the home country at a low price when they could get a higher for them elsewhere. A double proof of the faulty nature of the law was thus afforded, for it was disregarded by those whom it was intended to bind, and its infraction was allowed by its enactors, who could not enforce its provisions.

England was unable to supply her numerous colonies with all the commodities they were prepared to buy, and was equally unable to take from them the whole of their surplus produce. To enlarge the marketable area by enfranchising other ports would violate the Navigation Act. There was another course open: it was to cut down production on both sides by a heavy tariff of duties. For a time this was endured. Both parties were fitted with a drag upon their wheels, and saved from the perils of growing rich too fast. The colonists first grew tired of the arrangement. A new and arbitrary enactment of taxation in 1763 for the benefit of the home government exhausted their patience, and led to the revolution of which American independence was the result. It needed the costly and emphatic lesson of the severance of the United States to teach the government the folly of exercising too strict a tutelage over young and vigorous dependencies.

Canada in the same year, 1763, came under English rule, as a result of Wolfe's victory over the French four years previously at Quebec. The disbanded troops were allowed to remain in the colony as British subjects, receiving allotments of land according to their rank. Our insular settlements in the West Indies suffered greatly from the errors of government. Before the French Revolution the English colonies were less flourishing than San Domingo, Martinique, and Guadaloupe, the quantity of sugar produced in San Domingo was three times that of Jamaica, although the French part of the island was neither larger nor more fertile than the English colony. This disparity was due to the meddling of our home government, contrasted with the non-interference of the French in the development of Hayti. Our policy for several generations had been to keep the colonies dependent and feeble. English planters were not allowed to refine their own sugar, but were obliged to send it home in order to encourage native industry. French planters refined their sugar before exporting it, and

thus two industries were encouraged. As a result, the profits were sufficient to tempt the owners of French plantations to live on their estates, whereas in Jamaica the owners entrusted their plantations to overseers and lived in England. So it was also with coffee. Its use as a beverage in England had to be fought for against the opposition of the government, who at one time suppressed all the coffee-houses by proclamation (1675), and long regarded them with suspicion as hot-beds of political intrigue. Its cultivation in consequence was checked, and another source of wealth was thus discountenanced. As the colonies prospered, they carried on with the mother-country a thriving trade in those articles which had become necessary to comfortable existence. As if the ties of nature and of use—which is second nature—could not be relied upon, the loyalty of the colonists was further secured by law, which forbade them to supply their wants from any place but their native land. This restriction, so well calculated to keep the amenities of commerce within narrow bounds, was enforced by Spain and France as well as England. Colonies of the same parent state were denied commercial intercourse with each other. Only by special privilege England suffered her North American colonies to supply flour, wood, and fish to the neighbouring settlements. Such unwise interference with the free course of trade led to subterfuge and fraud, and the colonists did not scruple to trade with the French and other settlers even during the time of war. Food, apparel, and building materials were obtained with the surplus colonial wealth, as well as household furniture and works of art.

Africa.—The Senegal Company, established a few years before the death of Elizabeth, met with a determined opposition to their trade on the African shores from the Portuguese and the Dutch, and later from the French. These quarrels lasted for seventy years ; but by the convention of Breda in 1667, at the conclusion of the war between Holland and England, all the privileges and facilities enjoyed by

ships of either nation were to be "mutual in every way on both sides."

Under Charles II. the slave trade was carried on at a great profit by a company, and subsequently, when the Assiento treaty put an end to the long-continued contests between the French and English by defining and securing the rights of each, the profits of the African trade rose to its highest point. Our African possessions, continental and insular, became numerous and important. On the west coast lay the military and naval stations of Sierra Leone and Senegambia. In the Atlantic St. Helena, ceded by the Dutch to the English in 1673, became a place of call for Indiamen to take in water and fresh provisions. Ascension, discovered by the Portuguese in 1501, was an important rendezvous and victualling depot for vessels from the Cape and the Indies.

II.—THE EAST INDIA COMPANY.

THE famous East India Company, chartered by Elizabeth in 1600, met with undreamt-of success, dividing upon the two pioneer voyages profits of nearly 100, and upon the third voyage of 236, per cent. Dutch jealousy rendered the attempt to form settlements on the islands of the Eastern seas for a long while unsuccessful. On the mainland the Portuguese proved less formidable, but not less jealous competitors. Bribing the Great Mogul with rare presents and deferential missions, the English company conciliated his favour, which the Portuguese had never been able to obtain. Factories were planted at Surat, whence the Portuguese were expelled, and at a later period on both the Coromandel and Malabar coasts. Masulipattam, Calicut, and Delhi were three of the earliest English trading stations. Ormuz, the chief depot of the Portuguese, was taken in 1622, and Shah Abbas, with whom the English were acting in alliance, gave them the port of Gambroon,

opposite Ormuz, which city he razed to the ground. By taking advantage of the quarrels among the native Indian princes, and craftily siding with one or the other, the company in the end gained an ascendancy over them all. Forts and agencies multiplied during the seventeenth century. Bombay became an English possession in 1663, by the marriage of Charles II. to a Portuguese princess, Catherine of Braganza. An insignificant township named Calcutta (or in its original form, *Kallighatte*) was purchased in 1698, and eight years after the factory of Hooghly was removed to it. Calcutta became afterwards the capital of Bengal, and the seat of the supreme government of India. The factory, which was defended by a garrison, was then usually known by the name of Fort William, as Madras, a trade site established twenty-one years earlier, was distinguished by the name of Fort George.

Charles I. and Cromwell were too much occupied with domestic affairs to give attention to India and the progress of the East India Company, in whose monopoly the trade with China was included. Tea was brought to London as a great rarity just before the Restoration, and in Charles II.'s reign it became a regular import, in which the crown saw a source of revenue. The king took no heed of the interests involved in our foreign trade, but the nation at large participated in the spirit of commercial enterprise which the discoveries of several generations had stimulated. Luxurious tastes were created by the additions to our wealth. Spices and jewels from India were highly prized, and its cotton and linen fabrics augmented our stores of clothing. India in the eyes of the government was valued chiefly as a great source whence saltpetre could be obtained. As the science of war advanced, there arose an increased demand for nitre, which Europe could not satisfy, but the Indian supplies were abundant enough to meet the wants of all. With increasing business profits Indian stock improved in value. Shares of £100 bought at par, but which had fallen to £60,

rose in the market to £245, £300, £360, and it is even averred that some transactions took place at £500. Sir Josiah Child, once an errand-boy in a counting-house, obtained the uncontrolled direction of this vast monopoly, to retain which he disbursed hundreds of thousands of pounds of the revenues of the company. Charles himself did not disdain a bribe of £10,000, and his royal brother was equally gracious. Sir Josiah married his daughter to the Duke of Beaufort, made his brother John governor of Bombay, and put his relatives and friends into every place of trust.

The Revolution of 1688 threatened extinction to this monopoly. A fierce controversy was waged upon the subject of the privileges of the corporation, and a new company was formed. A minority of Englishmen held that the tissues brought from India injured the English weaving industry: cotton and silks were taking the place of good old wool and linen. "Things that our fathers were proud to wear ought surely to be good enough for us." Manufacturers in want of customers cried out for trade prohibitions. Sir Josiah Child, on the other hand, refused a bill for the incorporation of the companies which had been introduced into parliament, taking his stand on the principles that it was unwise to restrict the price of saltpetre sold to the government, or bind the company as to the quantity of English goods it should annually export to India. His defence of free trade was an able array of what have become truisms, but what were not so clear in those days; indeed, the disputant could not see how plainly they told against his own privileges. "It was never," he declared with much spirit, "found politic to put trade into straitlaced bodices, which, instead of making it grow upright and thrive, must either kill it or force it away." There was indeed a strong show of reason in the arguments generally used in support of the company. European trade was watched over by the consuls and ambassadors of the various states; any wrong done to a subject could be

quickly remedied, but beyond the Cape of Good Hope there was no such protection, and every trader had to defend himself. It was necessary that a military character should attach to trading; that forts should be built and garrisoned, the cost and maintenance of which could be provided for only by a powerful body, whose privileges were but an adequate recompense for the duties they undertook to perform.

Meanwhile the merchants of London, envious of the wealth which poured in upon a few fortunate enough to enjoy a royal monopoly, set the company's charter at defiance, and equipped vessels for the Indian trade. When caught they were treated without mercy as pirates by the agents of the company. Nevertheless, they increased in number and boldness, and forming themselves in 1698 into a rival company, disputed in parliament the renewal of the charter. The old company wisely agreed to a partnership, which was carried into effect in 1702, under the designation of the United East India Company. For a century this company held despotic sway. Its charter was renewed despite opposition upon the payment of fines and granting loans to the state on easy terms, all merchants being warned off from Indian commerce as poachers from a preserve.

During the first half of the eighteenth century, the East India Company retained a purely commercial character. Empire was not aimed at till the Mogul dynasty fell. The distractions which followed the death of Aurungzebe led to wars threatening the very existence of English power in India. France strained every nerve to profit by the disputes of native princes, and to get a firmer territorial footing. By judicious alliances and shrewd administration, the French gained ground so fast, that the English cause seemed well-nigh lost. It was saved by the valour of Robert, afterwards Lord, Clive, who overthrew the power of the French, made the Indian princes vassals of the

company, and the traders of Leadenhall Street the despots of India. Clive, whose military genius turned the scale in favour of England and annihilated the French power in India, was a clerk in the company's service at Madras. Having obtained a commission, he undertook an expedition against the capital of the Carnatic, to compel the French to raise the siege of Trichinopoly, in which he succeeded, and afterwards defended Arcot with the small force of four hundred men, for fifty days, against overwhelming assailants, whom he wearied out and finally defeated. Clive then turned to Calcutta, and retook it from Surajah Dowlah, by whom, with the aid of the French, it had been captured. He afterwards defeated that prince at the decisive battle of Plassey. Hyder Ali, a bold adventurer, who had constituted himself Rajah of Mysore, carried on a war with the English from 1767 to 1782 with such skill and success, that it required all the statesmanship of Warren Hastings and the valour of Sir Eyre Coote to reduce him to subjection. Tippoo Sahib, his son, was at feud with the English more than once. In 1791 he was forced to surrender to the Marquis of Cornwallis, to pay a ransom of £3,500,000, and to relinquish half his kingdom. On his again taking up arms, in 1799, General Baird laid siege to Seringapatam, the capital of Mysore. Tippoo was slain in the assault, and his territories became an English dependency. Wars, annexations, purchases, and acquisitions by treaty make up much of the after history of British India.

III.—INDUSTRIAL AND COMMERCIAL PROGRESS.

THE accession of William and Mary to the throne of England ushered in an epoch as revolutionary in trade as in politics. For a century the produce of the East and the West had been enjoyed, and tastes had been imbibed, which prepared the way for social changes. The use of

coffee and tea necessitated that of sugar, the place of which had hitherto been supplied by honey. Tobacco, a narcotic unknown before the sixteenth century, was soon largely used in England, and indeed the whole world, and its cultivation greatly extended.

It is to this period that the sister-kingdoms of Scotland and Ireland trace the beginning of their national industries.

James I., by uniting the kingdom of Scotland with that of England, benefited the industries of his native country, which shared at length in the privileges of English commerce. Scotch ports took part in the northern whale-fisheries, and sent their merchantmen to the Baltic and Spain. Cattle-rearing became an important Scotch occupation. Coal, salt, and iron were rendered more available, and the looms shared in the activity stimulated by the demand for British textures.

There was an advance seen even in Ireland. Linen became the national manufacture, and yarn, wool, and woollen cloths, provisions, butter, and grain, were exported in large quantities. Ulster was invigorated when the Revocation of the Edict of Nantes, in 1685, made it a refuge for French weavers, through whom Irish linen from home-grown flax attained a world-wide renown for its beauty.

English manufactures showed a marked improvement from the teaching of these French exiles. Tissues of silk, wool, and linen soon attained to high perfection. France continued to excel in dyeing, but the efforts of England, together with its greater commercial facilities, made the English trade the most valuable. Glass, paper, and hardware also improved in quality and value. Thus far French goods had been imported, and the annual trade in them amounted directly and indirectly to more than two millions sterling. Such a fact showed how much these commodities were desired by the English. The government reasoned differently, and in 1676 thought to do the country a benefit

by prohibiting the trade. Our hospitality to the refugees counterbalanced the folly and shortsightedness of our rulers, and so improved our manufactures as to cause the foreign demand to be very brisk through the last two decades of the century.

England guarded herself by stringent laws against any advantage being taken by foreigners, but a similar policy, when adopted by Spain, was held to be ample justification for a traffic almost exclusively contraband. Portugal exchanged port wine and Brazilian gold for our manufactured goods.

During each period of war since the Revolution, England has gained some possessions which have led to an extension of her commerce. Every colony wrested from the foe was a new customer for English goods. From the preponderance of the English marine, privateering was a source of vast profits while the war endured; the more so as England would permit no neutral flag to cover an enemy's goods upon the seas. Every ship "not with us was against us," a principle that left other nations but little choice, and compelled them, by physical force, to employ British ships in international commerce. Before the century ended, England had risen superior to all her rivals. Even the Dutch, who in 1700 had more ships than the English, were surpassed in all branches of trade, except the herring and whale-fisheries. So early as 1729 the preponderance of British trade was seen in the quantities of iron and wood used for ship-building. Of 19,000 ship pounds* of iron exported from Gothenburg, 12,000 pounds were consigned to England.

Two periods of war were in particular favourable to British commerce: the War of the Spanish Succession, from 1702 to 1713, which ended in the peace of Utrecht, and the Seven Years' War, from 1756 to 1763, terminated by

* Ship pounds—a commercial weight of 400 lbs. avoirdupois, in use in Sweden and Russia.

the peace of Paris. It was the policy of England to obtain from her colonies every possible commodity not raised at home. Premiums were paid upon colonial produce—as, for example, upon madder—in order to force a supply from our own possessions which might have been produced cheaper and better elsewhere. Among the chief English imports were southern fruits, wines, oils, silks, pitch, tar, wood, silk, cotton, flax, and hemp. Our efforts to transfer the production of these commodities to our colonies met with many failures and a few successes.

For these raw substances were exchanged manufactured articles and native produce. English manufactures forced their way into universal use, less by legislation than by their genuine quality. A British trade-mark was accepted as a guarantee of excellence, while the products of other countries were viewed with a suspicion justified by experience of their comparative inferiority. The knowledge that no inferior goods would be exported from England gave her wares a higher value, and caused them to be in demand even where English legislation most injured and irritated the people. Germany obtained English goods through Holland. England resented the copying of her restrictive policy by any other country; and deprived herself of French wines and brandies in order to punish France for doing the like with respect to English goods. Rum took the place of brandy in the national consumption, and the strong-bodied wines of Portugal replaced the light beverages of France.

During the American War of Independence our commerce suffered from the privateers which infested every sea. Letters of marque were granted, not only by the belligerent states, but subsequently by France and Holland. Many merchantmen were made prizes. England, contrary to her own principles, was obliged to employ neutral vessels as carriers, by means of which a good trade was often pursued, even with the enemy. War quickened the intelligence of

England. Events which seemed to destroy her resources, and to bar the outlets of commerce, made her merchants divert the course of trade rather than lose it altogether. Ship-building was imperilled by the closing of the American ports, from 1774 to 1783, but it caused the forests of the Baltic to be utilised, and gave an impetus to the trade with those regions. Coal and iron, worked to a prodigious extent, taxed the genius of the nation for new industrial appliances, and produced an age of invention.

Birmingham and Sheffield date the development of their vast hardware and cutlery trade from the invention of the puddling-furnace by Cort in 1783, whereby wrought iron was produced by the aid of the coal found in close proximity both to the ore and the limestone which is used as a flux. This furnace has so economised the manufacture of iron, that millions of tons are now produced from what was once valueless ore.

To the last half of the century we owe an industrial revolution mightier and more permanent in its results than the contemporary throes of rebellion in France. The elements at work were the steam-engine, the spinning jenny, the mule, the power-loom, and the blast-furnace. Watt has for ever associated his name with the steam-engine, as Hargreaves, Arkwright, Crompton, and Cartwright have with the perfecting of cotton-machinery. Steam-power applied to manufactures gave a new history to cotton. At first the manufacture had to struggle against prejudices and a false patriotism that thought it un-English to wear foreign fabrics. Linen shirts and sheets were used long after cotton had been proved better for warmth, comfort, and health. Legislative penalties were imposed upon cotton without avail. When our American colonies proved so well adapted for its cultivation, and sent us ever-increasing supplies, the growth of the manufacture necessarily followed. Manchester, Liverpool, and Glasgow attained great importance, the first for its factories, and the last two for

the magnitude of their commerce. In the half century from 1750, Liverpool ascended from the rank of a poor fishing-village to the dignity of a leading town of the British empire. Raw cotton was its chief import, and in its manufactured state the chief export of the town. Such wealth accrued from the fabrication of cotton, that instead of destroying the woollen and linen industries it gave them new life, through the increased capital brought to bear upon them, and the greater means of purchase enjoyed by the people. The manufacture of silk was similarly promoted.

The profits of manufacture and trade influenced husbandry. Agriculture and cattle-rearing improved and extended, in answer to the larger demand for animal food. High farming, upon scientific principles, was introduced, and England produced corn for export as well as for home-consumption. State finance, in the reign of William III., assumed new features, which had much to do with the subsequent growth of national wealth. Wars, though frequent, had been discouraged by the nobles before the Revolution, because the expense fell upon the land. Customs and excise, which were previously adopted only under the fallacious belief that they were a protection to British industry, changed their character, and were imposed as sources of revenue, in order to meet the new and enlarged costs of government. The change of conviction on this point is remarkable. Protection to native industry was the sole purpose of customs duties till the time of William III., when customs as a source of revenue were imposed in lieu of the ancient land tax. The expenses of the great European war, in which William took the lead against France, fell on all classes alike. Loans came into fashion. Macaulay judiciously observes, that it was not the system of borrowing, but the system of honestly paying, that was introduced by the Revolution. Government loans were funded, and a new business in buying and

selling stocks arose, with which was united that of dealing in the shares of commercial companies. The facility with which money was raised on the security of the government may be gathered from the statement of the growth of the national debt:—

In 1697 the National Debt amounted to	.	£21,000,000
„ 1713	„	53,000,000
„ 1748	„	78,000,000
„ 1763	„	122,000,000

A good deal of this capital was lent by the Dutch. Despite these enormous sums sunk in war, the annual revenue of the kingdom increased rapidly, or the burden would have been heavier to bear:—

In 1709 the Revenue amounted to	.	£5,691,803
„ 1727	„	6,762,643
„ 1775	„	10,200,000

The market for dealing in government and other securities was held in the city of London, under the name of the Stock Exchange. As the price which buyers were willing to give for public securities was high or low, in proportion to the confidence in the national stability, the fluctuations of the Stock Exchange served, and have continued to serve, as an index or gauge, of the most sensitive nature, of political and commercial prosperity.

Another feature of this period was the establishment of the Bank of England, in 1694, by Mr. Montague, Chancellor of the Exchequer. The scheme was originated by William Paterson, a Scotchman. Wealth even then had become so great, and the operations of trade so involved, that the goldsmiths could not undertake the enlarged banking operations which commerce rendered necessary. The Bank of England was successful from the first. Its charter passed parliament under cover of a scheme to raise a sum of £1,200,000 for the service of the crown, upon the guarantee of the tonnage dues, at 8 per cent.—easy terms

for the times. A considerable period was allowed for the subscriptions to come in, for £40,000,000 at 4 per cent. could as easily be raised now as £1,000,000 at 8 per cent. then. To every one's surprise, and to the delight of the Chancellor of the Exchequer, the whole sum was contributed before the first instalment was due. The capital was quadrupled early in the eighteenth century, and then again doubled before 1750. From small beginnings it has expanded, under wise and careful direction, into the greatest banking establishment that has ever existed.

Besides the ordinary business of discount, the Bank of England keeps an open account with the Treasury, as with any other customer; and serves as a reservoir for floating loans in cases of emergency. Grocers' Hall was the original scene of its operations, which were conducted by a staff of fifty-four officials. The bank now covers the area of a city parish, and gives employment to one thousand persons. As a set off against its privileges, the bank is required to undertake the management of the National Debt and to pay the dividends, functions which form quite a distinct part of its business. Banking as a practice became universal soon after the great national bank was started. Men who could inspire confidence by their character and wealth became bankers, and found the pursuit so lucrative as to enable them to take rank with the most eminent of our merchant-princes. The small streams flowing into their coffers, of little use separately, accumulated into reservoirs of capital that fertilised the whole field of trade. A state bank had existed in Venice from the thirteenth century; almost as old was the Bank of St. George at Genoa, and a bank was founded at Amsterdam in 1607. Three of the most ancient of the private banks of London continue to carry on their business—Child's, founded in 1663; Hoare's in 1680; and Snow's in 1685.

One notable example of ill-founded confidence, the Great South-Sea Bubble, makes the year 1720 memorable. The

desire to grow rich at a stroke had, just as in the instances of the Mississippi Scheme in France and the Tulipomania in Holland, seized men's minds. The shares of the East India Company were at a high premium, and the Bank of England promised wonders. Why not make a fortune in shares? John Blount, director of an insolvent company trading to the South Seas, from which not a penny of dividend had been declared for ten years, persuaded an over-eager ministry that he could wipe off the National Debt if letters patent were granted to his company for exclusive rights to all the rich gold mines, not yet discovered, in the countries of the South Seas, and to all the teeming fisheries which might exist there. Parliament freely made over to the company boundless territories not its own to give, and prospects of wealth as unlimited as they were unknown. Spain and Portugal, to whom belonged the countries so freely granted, declined to accede to the arrangement, and shut the company out of the South Seas; but this fact was concealed by the directors. The premium went higher and higher, till the value of the stock rose above 1,000 per cent. Wild schemes which public delirium alone could accept were set afloat. Princes and footmen, ladies of title and their scullions, embarked all their means in the confident assurance of making a fortune. Shrewd bankers accepted securities which in their sober senses they would not have deigned to handle. More than two hundred companies, representing £500,000,000 worth of stock, have been enumerated as the fruit of this universal gambling. This enormous capital was more than all the gold and silver in the world, and exceeded several times the value of the landed property in England. With the bursting of the gigantic bubble, all its glittering colours were dissipated into thin air. Bankers and goldsmiths failed, and dragged down thousands with them. Many families were reduced from opulence to beggary, and many others left England with sobered minds and broken

hearts. A few of the promoters were punished and compelled to disgorge their plunder. Some speculators, satisfied with their own gains or foreseeing the crisis, had retired soon enough to keep their riches. It was for a century a severe but efficient cure of reckless cupidity.

CHAPTER VI.

RUSSIA.

Commerce of Russia.—Russia owes its rank as a mercantile power not to the full development of its natural resources, but to the boundless area over which they are spread. Russian commerce is of the most recent growth. The Hanse, in 1532, established a factory at Narva; but met with competitors in the English and Dutch. Chancellor's voyage to the White Sea, in 1553, opened a communication between England and Russia, which was much encouraged by the Czar, Ivan the Terrible. In 1584, Archangel was founded, and, until the foundation of St. Petersburg, was the first and only commercial port of the empire trading with England. Trade was fostered by freedom of interchange, an equable import duty of 5 per cent. levied on goods, clearing them from all further charges. Exports of equivalent value to the imports were allowed to pass duty free. Such commercial liberality suited the genius of the Dutch, who soon gained a footing at Archangel, and competed with the English. The trade was wholly of the nature of barter, Russian raw produce being exchanged for manufactured fabrics. The English more than the Dutch penetrated the country in search of commodities. They visited the market of Moscow, and traversed the plains till they reached Persia, whence they obtained raw silk. Commerce conducted with such energy thrived, and although as yet wholly in the hands of foreigners, the prosperity of the country rose to a considerable height. Ivan the Terrible was a prototype of Peter the Great, both in his strong passions and his

patriotic spirit. He extended the empire into Asia, entered into diplomatic relations with the courts of Europe, improved the coinage, and endeavoured to stimulate handicraft by the introduction of German workmen amongst his subjects. He established the first regular army in Russia, brought gunpowder into use, promoted trade and navigation by ensuring security to traders, and encouraged traffic with Poland and Scandinavia.

Michael Romanoff, the first of the present line of Czars, gave a new character to Russian history. By the negotiation of commercial treaties during his reign from 1613 to 1645, with England in 1623, and France in 1629, he gave his empire a status among civilised nations. Alexis, his son, instituted a department of trade, and promulgated, in 1654 and 1657, ordinances for regulating customs dues. He defined and restricted the privileges of the English, and, by codifying the Russian laws, gave a settled character to its jurisprudence. Industry was encouraged by the erection of factories, and the working of mines was superintended by Germans and Scotchmen. Agriculture was extended by cultivating the steppes of the Volga and the Kama.

Peter the Great had thus examples which inspired him with the high resolves which he carried out at a later period. He had listened to the foreign merchants in Moscow describing the phenomena of industrial life in their native countries, and the prevalence of comforts and luxuries of which even the nobles of Russia had no conception. Twice he had seen at Archangel ships whose wonderful architecture, in his admiring eyes, was only equalled by their wonderful cargoes. His journey to Holland and England, in 1697, undertaken with a view to enlarge his knowledge, and particularly to acquire the art of ship-building; his labouring in the dockyards of both countries as a journeyman, are familiar and well-authenticated facts. Returning after an absence of two years, he brought with him a body of artizans and engineers, by whose means he improved handicraft, increased

the produce of the Siberian mines, built ships—not one vessel being owned by the Russians before his time—and weaned his country from its helpless dependence upon foreigners. The foundation of St. Petersburg, in 1703, was his proudest project, and he granted this great capital so many mercantile privileges that commerce was very soon attracted to the favoured spot. Before ten years had passed, St. Petersburg enjoyed a large and flourishing trade, and in a future reign Archangel was put on an equality with the Russian capital. The Czar, in a war with Sweden, obtained possession of Riga, another Baltic port, and, by treaty with Turkey, Azof also was ceded to him, thus giving him what he had long desired, a port on the Black Sea; an advantage, however, which he soon lost. His ambition was to construct a fleet, and ere long Russian ships floated on the White and Baltic Seas, on the Euxine and the Caspian. He devised a great scheme of canals to connect these seas, a plan since completely carried out.

Peter the Great extended his inland connections even to China, with which country he created a lucrative intercourse. He ruled over Russia from 1682 to 1725, a period of forty-three years. Though during a considerable part of this time he was engaged in war, yet in addition to what has been already recounted he found time to establish schools and hospitals, start printing-presses, and foster manufactures. As the result of his genius and indomitable will, a grand commercial city arose on the banks of the Neva, a navy and a mercantile marine floated on the Baltic, harbours were turned to account wherever the frontiers extended to an open sea, and Russia was raised from a condition of semi-barbarism to a political level with the great European powers. Catherine, the widow of Peter, during a short reign of two years (1725—1727) pursued, with religious devotion, the policy of her husband. She carried out the construction of canals, despatched ships on voyages of discovery to the polar regions, both of Asia and America,

maintained a fleet in the Black Sea corresponding with that in the Baltic, and re-established the ancient trade routes.

The immediate successors of Peter and his consort did little to further the policy of their great predecessor. Nevertheless, the institutions he founded and the principles he inaugurated contained in themselves the germs of growth. Every year the demand from England, France, Spain, and Holland for the raw produce of Russia increased. As yet, Russia had but few ships compared with her maritime neighbours, and laboured under the disadvantage of possessing but a small extent of coast available for commerce. This latter physical circumstance, indeed, forbids Russia from ever becoming a commercial country similar to Great Britain. Russian vessels were manned and officered by foreigners or by natives who had no taste for the dangers of the sea. The commerce was, therefore, still mainly in the hands of the English, who took their home and colonial produce to Russia. Holland shared in the Russian trade, as intermediary between Russia, France, and Spain.

Catherine II., 1762 to 1796, gave to Russian polity that aggressive trait which has been distinctive of it ever since. Aggrandisement was her ruling passion. She would have Russia comprise the world, or be second to no empire in extent of territory, and the Russians foremost in point of wealth. Industry was promoted, but only as subsidiary to war. German artificers were induced to settle in the empire, and the manufacture of textile fabrics of linen, silks, and wool was encouraged. Potash and sugar, with many other products, were prepared, and that to so great an amount that much of the produce, together with iron and glass, reached even the distant regions of North America.

Catherine, in 1774, regained the harbours of the Black Sea, declared them free ports, and offered many advantages to induce merchants to trade there. The intercourse already existing between Cherson and Constantinople was

now extended into the Mediterranean, and a commercial traffic was opened, especially with Spain and Italy. War broke out in 1787, and the Hellespont was closed to Russian ships; thus this promising intercommunication ceased for a time.

Poland.—Poland, an independent nation until the latter part of the eighteenth century, possessed considerable commerce, resembling in its character that of Russia. For two centuries it was the chief corn-producer of Europe, much of the country consisting of that same rich, black, fertile soil which is found in large districts of Russia. Timber was the export next in importance to corn; dye-plants, flax, and hemp from the vegetable kingdom; wax, honey, hides, and wool from the animal kingdom, with talc to represent the mineral produce, were all important constituents of trade. These raw substances were sent to the ports of Riga and Dantzic, and, for the supply of South-Western Europe, to those of the Black Sea. Debarred from a direct share in maritime industry by its inland position, Poland entrusted chiefly to the Dutch the sea transport from the Baltic.

Courland and its Colonies.—The history of Courland, until 1795, when it became a province of Russia, is full of complications. Originally it was a dukedom under the German Empire; but, inasmuch as it was conquered by the knights of the Teutonic Order, the Pope was in some sense a concurrent suzerain. The Reformation made it a Protestant country under the dukes of the Kettler family; who held it as a Polish fief. The connection, however, was a loose one; the Polish element in Courland being too unimportant. The peasants were Letts of the Lithuanian family, while the owners of the soil were Germans. When the line of Kettler died out, the Poles attempted to incorporate the duchy as an integral part of their kingdom. This being opposed both openly and by the underhand intrigues of Russia, a long period of uncertainty ensued. There was the original understanding that the Duchy should be incor-

porated with Poland, but this the chief statesmen of Courland repudiated. Then there was the nomination of a duke by Poland, in which Russia refused to concur. There was the occupation of Courland by Russian troops, and there were intermarriages between the dukes and the royal family of Russia. The end was, that a mere personal favourite of the Empress Anne, the notorious Biren, was made duke. Nominated by Russia, he consented to go through certain formalities of investment at Warsaw. He afterwards fell into disgrace as a favourite, and though Duke of Courland, was banished to Siberia. Then he was recalled, and later they set up an anti-duke. Russia settled the matter finally by making Courland a Russian province in 1795. Miserable as was the condition of this country under the last dukes of the Kettler family, its commercial history under its earlier rulers indicates a spirit of adventure which, exhibited as it was when the country was scarcely known to the rest of Europe, commands our admiration. Duke James I. of Courland maintained for several years stations upon the river Gambia and Fort St. Andreas on the Ivory Coast. By James I. of England he was presented with the island of Tobago. This island had belonged successively to the English and the Dutch. By the Dutch it was called New Walcheren. An attack of the natives caused the loss of two hundred of the Dutch colonists. The settlement was thereby so much weakened that the Spaniards from Trinidad were able to drive out the remaining colonists. About one hundred Courlanders now established themselves upon the island, built a fortress for its defence, and founded the town of Jacobstadt. To secure themselves still more from the hostility of the Dutch, who viewed them with suspicion and tried to drive them away, they formed an alliance with Oliver Cromwell and with Louis XIV. Notwithstanding these alliances, the Dutch in 1654, under Adrian and Cornelius Lamprens, two merchants of Zealand, seized upon part of the colony; and

four years later, taking advantage of the imprisonment of Duke James by the Swedes, took possession of the whole island. The colony was restored to the duke by the aid of the English, to whom the island became a place of commercial resort. This miniature colonial empire of Courland ended with the death of the duke, to whom it owed its existence and maintenance for a generation.

Livonia and Esthonia.—Western Livonia and Esthonia, like Courland during the time of its original paganism and barbarity, were occupied by the Letts; the more remote population on the east being of the Finnish stock. Both Livonia, however, and Esthonia were conquered and converted by the knights of the Teutonic Order, thus making the dominant population German. The early history, however, of both provinces is obscure, and the later a mere chronicle of battles and sieges and misery. From the reign of Gustavus Vasa to the death of Charles XII., the whole country, from the Gulf of Finland to the frontier of Courland, was little more than a battle-field for the Swedes and Russians, the latter taking possession of Livonia and Esthonia by the peace of Nystadt, A.D. 1721.

CHAPTER VII.

SCANDINAVIA.

I.—NORWAY AND SWEDEN.

WHEN the commercial power of the Hanse, by which the early trade of this peninsula was wholly conducted, decayed, the Dutch, and afterwards the English, filled their place, and the yearly business perceptibly increased. Bergen, the ancient factory of the Hanseatic League, retained its prestige, and did not indeed decline until the beginning of the eighteenth century.

From the union of Calmar to the reign of Gustavus Vasa, the three kingdoms of Norway, Sweden, and Denmark were under one king; but, towards the latter part of this period, the tyranny of Denmark became insupportable in Sweden. Then the great event of the liberation of that country was effected by Gustavus, the first and, in some respects, the greatest of the Vasas. No liberation was effected for Norway, which country, though an integral part of the peninsula, continued to belong to Denmark, and its commerce became independent of that of Sweden. It carried on a trade with Iceland and Finland, of which the Copenhagen merchants obtained the control. Norwegian commerce was of the simplest character, the natural resources of the country being few in number, but abundant in quantity. Timber was the chief export, the trade in which steadily increased. Iron was exported, though to a less extent than from Sweden. The fisheries were of ever-increasing value, especially off the Lofoden Isles, to which fishermen from all parts resorted.

Sweden owes to Gustavus Vasa and Charles IX. the commercial impulse which it received in the modern period of its history. In order to stimulate the industry of the Swedes, Gustavus Vasa decreed that none but manufactured iron should be sent out of the country. A wiser policy induced Charles IX. to invite skilled labourers to settle in Sweden, and to teach their handicrafts to his subjects. In 1561 Esthonia was added to the kingdom, and the trade of Sweden materially increased.

Gustavus Adolphus, the hero of the Thirty Years' War, who reigned from 1611 to 1632, stimulated the commercial activity of the country by the reduction of Livonia and by other extensions of territory, as the result of his successful campaigns against Russia and Poland. His continuous foreign wars promoted the growth of a navy, which, by making Swedish power respected at sea, protected and therefore improved its commerce. Under the able chancellorship of Oxenstiern, the flag of Sweden was supreme in the Baltic. A company for trading to the South Seas was founded in 1616, settlements were made in North America, which, however, had to be given up to the English in 1650, and trade relations were also entered into with other countries. Domestic industry was extended. Dutch capital was borrowed to work the mines and for other industrial purposes. During this reign Sweden was the most powerful of the northern kingdoms, its territories exceeding those of France. Charles XI., who reigned from 1660 to 1697, was an able ruler. By him the finances of the country were improved; a bank was erected, duties were imposed upon cloth and silk coming from abroad, in order to encourage home manufacture, and internal traffic was facilitated. He left the country strong in resources and wealth, and defended by a well-disciplined army; but his son, Charles XII., "the Madman of the North," by his reckless wars, the sole object of his ambition, put a stop to material progress. He drew his soldiers from the plough and the loom,

and while thus sapping the foundations of wealth, his ruinous expenditure completed the exhaustion of the country. Money became so scarce that copper took the place of gold and silver. Issues of paper money were made, which, while industry suffered and commerce decayed, fell in value,—a sure indication of the loss of government credit. In the year of his death (1718), his country had sunk into a state of decay as low as its prosperity under his father had been high.

Sweden recovered by slow degrees. Linnæus turned the minds of his countrymen to science, and agriculture began to improve. It was not, however, until the reign of Gustavus III., beginning in 1771, that its former prosperity was restored. Taking advantage of its neutrality during the American war, Sweden got into its hands a large part of the trade of the European hostile states. In the Mediterranean the Swedes almost entirely superseded the Dutch. They carried on trade also with the East Indies and China, from which last country they brought tea to smuggle into England. In the West Indies, the possession of the island of St. Bartholomew, which they obtained in 1784, gave them facilities for an active trade. The subsequent history of Sweden reflected the wayward policy of its rulers. Declining trade and disordered finances were the results of the war with Russia in 1789. The wars of the French Revolution afforded another opportunity for neutral commerce to the benefit of Sweden. The United States, which had by this time grown into a great maritime power, now divided with the Swedes the neutral trade. More iron, however, was demanded by England, and this called forth a compensatory increase of imports.

II.—DENMARK.

THE kingdom of Denmark consists of an alluvial peninsula, peculiar in trending northward, the opposite direction to that of almost all other peninsulas and of several

large contiguous islands, which block the entrance to the Baltic sea. During the modern period, Denmark extended through five degrees of latitude, from 53° to 58° N., and from 8° to 13° E. longitude. The country forms a part of the great plain of Europe. Excepting in the south and in the larger islands, the surface is scarcely diversified by a hill, and much of the west coast is artificially embanked against the irruptions of the sea, miles of sand-dunes elsewhere performing the same office. Although the peninsula in its widest part is one hundred miles broad, yet the coast is so indented, especially by the large inlet called the Lym Fiord, that no part is more than thirty-five miles from the sea. The soil of Jutland is generally poor, being composed of sand and clay. A great portion is waste land, especially a broad central strip running north and south, and the sands and marshes bordering the German Ocean. Lakes of small dimensions, but extremely numerous, are significant of a low-lying country and humid climate, the result of continuous vapours, which are but partially dispersed even in summer. Autumn is the only settled season, the winter being characterized by incessant snow and rain, and the spring by an alternation of rain, frost, and storms. The land, notwithstanding, seldom suffers from an excessive temperature ; and although at intervals the Sound has been made a highway to Sweden by a thick coating of ice, for its latitude the climate may be called mild.

Denmark was so excellently situated for commerce that its foreign trade was extensive in proportion to its scanty natural resources. Of mineral produce there is scarcely any. A good deal of pottery was made, and a few foundries existed in Holstein. There is no coal, but an inexhaustible supply of peat made this want less felt. Marble and building stone were quarried in Bornholm, an island near to, and partaking of, the physical features of Sweden. It was from the vegetable and animal kingdom that Denmark drew the

chief part of its wealth. Although a fourth of the surface was covered either with brambles or marsh, other parts, especially in Holstein, were very fertile. Great crops of rye and oats were grown for export. Potatoes thrived, and rape was cultivated extensively. Forests once darkened the whole country, but were reduced to very few of small size, and Denmark was nearly treeless, and imported timber. The grazing and dairy-farms were the chief reliance of the husbandman. Green pastures fattened beeves and sheep, either for export or home consumption, and hides, skins, and wool expanded the list of exports. Hung-beef from Holstein, of high repute, and salted provisions, both beef and pork, were largely exported, as well as dairy produce of every kind, with tallow, lard, and corn-brandy. Danish horses were sought after for their strength and vigour, as well as the spotted carriage or Danish dog, of a breed peculiar to the country. The fauna has changed its character with the loss of forests, wild beasts having disappeared. Game and wild fowl still abounded, and possessed economic value, both as food and for their feathers. Domestic poultry was a source of great profit. The Danes prosecuted their fisheries with zeal and success. The western shores furnished oyster-beds, and the Cattegat abounded with lobsters.

The Danes proper are of Teutonic origin, the Jutes and North Schleswigers belonging to the Scandinavian branch, the inhabitants of South Schleswig, Holstein, and Lauenburg to the German branch of that great family.

The Danish dominions were enlarged, but hardly enriched, by the possession of Greenland, Iceland, and the Faröes. A few islands in the West Indies, various settlements on the African coast, and one or two small stations in India, also belonged to the Danes.

Great vicissitudes of fortune have attended the Danish monarchy. At one time the whole of Scandinavia, besides large German provinces and islands of the Baltic, owned its rule. Sweden was subdued in 1397, but recovered her

independence, after many contests, in 1523. Political changes have given a variable history to the development of the industry and commerce of Denmark. Love of the sea has descended to the Danish race from the ancient Vikings. Commercial intercourse with foreign nations has therefore always been considerable, and sometimes very great. Before the fall of the Hanseatic League, this commerce might perhaps be fairly called piracy; for domestic oppressions and broils between the king and his nobility prevented industry from flourishing, and drove swarms of the people to pursue a lawless life at sea. Christian IV. (1588—1648) tried to give a legitimate course to national enterprise, and though diverted from his plans by his wars with Sweden and with the German Empire, he succeeded in establishing a regular traffic with Iceland and Greenland, and in a first attempt at trade with the East Indies. Frederick III. pursued this policy still further, and enlarged the area of Danish commerce. Altona owes its foundation to this king, who also initiated a trade with South America. Christian V. increased the wealth of the country by attention to its natural resources and manufactures. Corn, rapeseed, horses, oxen, butter, and cheese were exported, and the provinces of Jutland and Holstein especially were enriched by a flourishing agriculture. French exiles here, as in other countries, repaid the shelter afforded them by improving the weaving of textile fabrics. The number of colonies was also increased. St. John and St. Thomas, in the West Indies, were settled, the first being transferred by the English in 1671, and the latter occupied in 1719. In 1733, Santa Cruz was purchased from France for 738,000 livres, and a considerable trade sprung up, much of it, however, being contraband. A neutral carrying trade was developed during the American War, which brought great profit to Denmark. Sugar from the West Indies, tea, cotton, and silk from China and the East Indies, were brought in Danish instead of Dutch ships for the supply of

Germany and other parts of Europe. Native horses were sent to France, and grain and timber to England. All the towns of Denmark were rendered more prosperous by this traffic. A taste for luxury was developed, and the energies of the people were still further directed towards foreign trade.

Peace brought an immediate change. The East and West Indian trade largely reverted to their former possessors. Nevertheless, a share of the lucrative branches of commerce was retained, while that with France remained unaffected. When the French Revolution broke out, and particularly when Holland was occupied by the French, the Danes by their neutral trade reached unprecedented prosperity. Their fleet was powerful for war and numerous for trade. In resisting the right of search which England claimed, Denmark brought upon herself the hostility of that country, and lost her colonies and most of her marine. At a later date a new fleet was built, and the colonies were restored by treaty. To prevent the Danish fleet from falling into the hands of Napoleon, England demanded its surrender, and on the refusal of Denmark to comply with this demand, an English force appeared before Copenhagen for a second time, and compelled the Danes to submit.

Colonies of Denmark.—In addition to the colonies already named, the Danes found a field of enterprise in Africa, on the west coast of which continent they planted factories; and in Asia, where they obtained possession of Tranquebar, Serampore, and some of the Nicobar isles. A West India Company first monopolised the commerce with America, but managed so badly that the state bought up the company's privileges for 9,900,000 livres, and threw the trade open.

The Guinea settlements were not always prosperous. Four forts—Christiansburg, Fredericksburg, Königstein, and Prinsenstein—defended fifty miles of coast, whence gold, ivory, and slaves were exported. Never of much value, the

African trade died out when, in 1792, a short term of eleven years was allowed for the extinction of the slave-trade, the most profitable branch of the business.

The Danish East India Company was formed on the representations of Boschooer, a Dutch factor. This remarkable man had ingratiated himself with the King of Ceylon, in whose service he had risen to the rank of Admiral and President of the Council. Boschooer concluded a treaty of commerce with the king in favour of his native country, but the coolness with which his overtures were received by his fellow-countrymen in Ceylon induced him to visit Denmark, where a fleet of eighteen vessels was fitted out and placed at his disposal. His death on the return voyage interfered with the success of the enterprise ; nevertheless Tranquebar was ceded to the Danes for a rent of 2,000 pagodas a year. The Danish East India Company, unable to compete with the jealous monopoly of the Dutch in the Indian marts, surrendered their rights and privileges to the state, and after 1643 Danish ships ceased to visit Tranquebar. In 1669 the colony fell to pieces for want of support. It was successfully reinstated in 1731, and for many years held exclusive possession of the traffic from Cape Colony across to China. In 1771 the state purchased the then prosperous colony for 170,000 rix-dollars.

CHAPTER VIII.

GERMANY.

THE commerce of Germany was bound up with that of the Hanseatic League, and suffered with the decline of that great confederacy. When the Dutch and the English began to take an active share in trade, the League lost its best customers. The Spaniards made an effort to restore the trade of the Hanse, not out of any regard for the League, but through hatred of the English and Dutch. No political combination, however, could prevent the sea from being the highway of commerce, and England from receiving the full advantage of her favourable maritime position. Hamburg and Bremen, two of the first trading ports to join the League, were the last to be affected by its decay. They could not fail to possess large commerce, for, commanding the mouths of the Elbe and the Weser, they were the outlets of German produce and the inlets of foreign commodities.

Many vessels belonging to these ports traded between Norway, England, the Netherlands, and France. With the transfer of trade from Italy to Portugal, the South German towns diminished in wealth. The rich houses of Augsburg and Nürnberg continued for some years their efforts to draw a share of the Portuguese commerce into Germany by way of Italy, but were in the end compelled to forego dealings in merchandise, and to confine themselves chiefly to the business of money-dealers. Erfurt and Brunswick were equally injured. The foreign commerce of Cologne sank into insignificance, and Aix-la-Chapelle was deserted by many of its citizens. Special local circumstances in some towns retarded or prevented decay. The great fairs of Leipsic

and Frankfort, for example, continued to render those towns prosperous. Elberfeld actually increased in consequence of the arrival of Protestant refugees from France, who erected factories and by their skill added to the industries of the town. Much German produce, which once found an outlet at Genoa and Venice, or down the Danube, now left the country by the northern ports. Van Arnim, a far-sighted Brandenburg nobleman, in 1554, brought into Saxony skilled labourers of every kind to work the mines, improve the husbandry and vine-dressing, and fabricate linen and woollen cloth. In addition to these operatives, many Flemish traders and artificers expelled from Ghent and Bruges were welcomed. The result was that Saxony flourished while surrounded by states whose prosperity had sunk to the lowest condition. German linen was much sought after. The Dutch bought up in an unfinished state all that Silesia could manufacture, and took it to Holland to bleach. Increased exports of linen to Holland followed quickly upon the diminished trade of Soest, Dortmund, and Osnabrück. Germany could compete with most countries in linen fabrics, its soil being more suitable for the growth of flax than that of the north and north-east of Europe. Ready markets were found for German linens in the Netherlands and England. Cotton cloth was still made in South Germany; but the finest varieties were superseded by French and Flemish fabrics. Hardware manufactures employed the inhabitants of Westphalia, especially in the town of Iserlohn.

The century and a half succeeding the Spanish discoveries witnessed the rise and growth of a taste for splendour, which reached its zenith in the reign of Charles V. His sumptuous court led the fashion in living and costume, not only in Spain but in Germany. From the princes and nobility down to the burghers, luxuries in food, dress, and furniture were indulged in. Even the northern states, where primitive manners remained longest, became at last leavened like the rest with a love for display.

At the end of this period the Thirty Years' War had produced a very different condition of things. Germany had been ravaged with fire and sword. With the slaughter of her inhabitants and the destruction of their homes, the peaceful pursuits of industry were ruined. Fields lay untilled, and sheep and cattle gave place to vermin and wild animals. Manufactures had dwindled almost to nothing. Their famous woollen manufacture and their breweries were, in the course of a generation, as far behind those of their neighbours as once they were ahead. Commerce was almost extinguished, and instead of a surplus remaining for exchange, the produce of the country barely sufficed for the wants of the people. The balance of trade ran against Germany for many years. A navy and a mercantile fleet being impossible, foreign trade was of necessity indirect, and was affected by every contention among the maritime powers. With Spain alone the export trade of Germany exceeded the import trade. In Portugal, German goods were undersold by English dealers. Commodities received from Holland and France were of so much greater value than the German produce given in exchange, that the coin sent out of Germany yearly was very considerable. As an example, French produce to the value of fourteen million florins was received in 1720 against nine millions' worth of German produce exported. Alike in character, though less in extent, was the commercial intercourse of Germany with Great Britain and Russia. The ancient Levant commerce shrank into trivial importance. Only by the subsidies of England and France could the German princes carry on the war in which they became involved. From 1750 to 1772 France advanced to them 137,000,000 livres, thus, chiefly, distributed,—Austria, 82,000,000; Saxony, 9,000,000; Wurtemberg, 7,000,000; Cologne, 7,000,000; the Palatinate, 11,000,000; Bavaria, 9,000,000. While the Seven Years' War lasted England spent in subsidising the German princes, apart from her own share of

the costs of the war, the sum of £21,000,000. We cannot well conceive a worse fate befalling Germany, despite these vast payments, than the disastrous results which ensued from these wars.

Germany was less benefited than Holland and England by the Revocation of the Edict of Nantes; although many skilful exiles settled in the different capitals and established new industries. These, however, were mostly luxuries, such as tissues of gold and silver, and silk, together with glass and porcelain wares, while the inhabitants were in actual need of necessaries. It was therefore at the courts of princes that these artisans looked for patrons, and there indeed they often resided. The raw materials employed were of foreign production and costly, such as fine wool, indigo, and logwood. The cost of production was enhanced by the difficulties of transport, the roads being few and bad. From these causes the centres of German manufactures, with the slow revival of prosperity, came successively nearer the sea. Here again the struggle was a losing one against the competition of England and France, whose Navigation Acts closed not only their own ports, but also those of their colonies against German commerce. Linen was almost the only product that found a market abroad, the other manufactures being wholly consumed in the country itself.

It was not till the middle of the eighteenth century that indications of improvement appeared. War had injured the character and manners of the nobles and landowners. Life in camp and court had rendered them negligent of their estates, which were left to the management of stewards, whose rapacity did not always stop short of fraud. Signs of a new industrial life were seen first in North Germany and Saxony. Horses were bred in such numbers that it began to be possible to export some; and the Saxony fleece, by judicious crossings of breeds of sheep, surpassed in fineness and value the wool of Spain and England. South-

west Germany began to recover its trade. Swabia sent its linen to France and the Low Countries, and in smaller quantities to Italy. From the same region, and from Franconia, cattle were exported to France, and timber in large quantities to Holland.

Many extensive districts of South-east Germany were not yet cultivated, even where the soil was most fertile. Monastic lands shared in the common neglect, and yielded a scanty produce. There were glass, metal, steel and iron works in Vienna, and Hungary was rich in natural resources, though the region laboured under many disadvantages. It was far from the great commercial marts, money was very scarce, and the navigation of the Elbe, the outlet to the North, was obstructed by tolls.

Brandenburg and the Prussian provinces suffered severely from the devastations of war. Frederic William and Frederic I. repaired, in some measure, the neglect of husbandry which had diminished the flocks, and had compelled the weavers to remove to Saxony. They built cloth factories, invited weavers from Juliers, France, and Holland, and forbade the export of native wool. Refugees from France were welcomed, and received permission to settle where they pleased. Some of the exiles were of noble or high rank; others were eminent as scholars; and others, again, were manufacturers. Houses were erected for them; they were settled upon waste lands given to them for tillage, and exempted from taxes for several years until their industry provided them with an adequate return. Protestant fugitives from Bohemia and Salzburg found a home here, as did also the Waldenses and many persecuted families from the Palatinate.

Immigrations of skilled labourers were encouraged on a large scale by Frederic II., who, during a reign of forty-six years, settled 42,609 such families in 539 villages; an achievement which entitles him to be called Great far more than all his conquests. Factories were erected in

Berlin and Potsdam for the spinning of wool, and the weaving of linen. Cotton works, also, and sugar refineries, tanneries, mining and metal works, were established in various places. Frederick encouraged production in every division of industry. He improved communication by the formation of canals and the construction of roads. He extended credit, and made capital available by the establishment of banks, insurance companies, and kindred institutions. His energy was such that every project of improvement passed under his personal surveillance. Wastes were reclaimed, industry raised its head, and trade flourished. His schemes were carried out with too high a hand for constant success, but most of them were suggested by sound sense, and laid the foundations of the greatness and prosperity of Prussia. In other instances by his policy he unwittingly crippled the very industries whose growth he was so anxious to promote. For the sake of getting money easily he farmed the taxes, a practice copied from France. A system of tolls upon all the frontiers of the kingdom was adopted, by which the linen and cloth manufacturers reaped an advantage at the expense of every other industry.

Saxony.—The natural resources of Saxony are so rich and varied, that it was among the last of the German states to feel the full extent of the miseries attendant upon war, and the first to recover from their effects. Manufactures of linen, cotton, wool, and silk were very important. Linen was exchanged for Spanish wool, through Hamburg, and was also sent to Poland. Leipsic fair was a commercial congress of all nations, and the centre of the trade of the country. The orchards were a perennial source of wealth. This prosperity was ruinously injured by the Seven Years' War, which left the country involved in debt, its people impoverished, and their numbers greatly diminished. As late as the year 1790, the ruins of houses were still to be seen all over the land.

Brunswick.—Commerce in this duchy was centred in the great fair of Brunswick, established in 1671. The rearing of sheep and the cultivation of the fleece were even more successful than in Saxony, and sheep and wool were exported. The yarn trade afforded employment for many hands, and the mineral resources of the country provided raw materials for hardware and glass manufactures. Brunswick partook of the fortunes of Saxony in the Seven Years' War, its industries and finances being prostrated, and the duchy partially depopulated.

Augsburg.—This city declined in consequence of the diversion of the overland traffic through Venice. Its cotton manufactures outlasted those of other textile fabrics. Its trade was afterwards confined to banking and exchange operations. The exchange erected here was the first of its kind.

Frankfort-on-the-Main.—This commercial city owed its prosperity to the excellence of its position. It was the medium of intercommunication between North and South Germany. English merchants transacted much business at Frankfort. Its wealth arose from intermediate profits, rather than from native resources.

Cologne, one of the most wealthy and powerful cities of the Hanseatic League, might have survived the fall of the Confederation but for its own erroneous policy. Domestic broils, the harsh expulsion of the Jews, the emigration of the weavers through the wanton public destruction of their looms, and above all the closing of the Rhine, in the sixteenth century, by the Dutch, caused the trade of Cologne to decline rapidly—a condition from which it did not recover during the period under review.

Nuremburg, more properly *Nürnberg*, celebrated in the history of the Hanse for the numberless wares to which it gave its name, as well as its Oriental trade through Venice, declined with the Hanse, but suffered most severely from the Thirty Years' War. Its manufactures were ruined,

and its annual fair abandoned. When at length the productive fields of Bavaria were cultivated anew, Nürnberg industry once more revived. Articles in steel and brass, and every kind of hardware, were made; turnery, mirrors, and musical instruments, glass, porcelain, watches, first called "Nürnberg eggs," tissues, and toys, found ready markets in Bavaria and other parts of Germany, and more distant markets in Spain, Holland, Portugal, Russia, and Turkey.

Bohemia, from its great fertility, resumed soon after the war its former fruitful aspect, but its ancient manufactures took a long time to recover.

Hamburg flourished while the commerce and industry of the other German towns decayed with the Hanse, or were destroyed by war. Conveniently situated as a depot, it became wealthy through the profits on the supplies it furnished to the armies, and monetary exchanges. At the peace of Westphalia, 1648, Hamburg was wealthier and possessed a greater population than at the commencement of the Thirty Years' War. This was owing to the influx of settlers driven from their homes by the ravages of war. No troops were quartered in Hamburg, which was the main reliance of the army as an emporium of stores. Its neutral flag did not, however, invariably protect its ships from being taken. During the war with France, from 1744 to 1748, the prizes taken at sea by the English were generally disposed of at Hamburg. Again, in the Seven Years' War, from 1756 to 1763, the utility of Hamburg to the army ensured the city the like good fortune. Trade ruined elsewhere centred here. Intercourse with England was much extended. Woollen manufactures and hardware from that country were exchanged for metals, timber, and linen. By the same route Silesian linen reached Spain and Portugal. The trade with France was in the luxuries rather than the necessities of life, and consisted chiefly of wines, colonial produce, and commodities demanded by the fashion of the day. Its North American trade especially increased; and

this, together with that of the Dutch and Danish West Indian colonies, was now carried on directly in Hamburg vessels, instead of passing through England as an emporium. Rice and tobacco in particular, amongst other colonial produce, were thus procured.

Bremen.—Bremen vessels, like those of Hamburg, were exempted from the provisions of the Navigation Act, and allowed to enter British ports. Both cities made a profit of their neutrality. Linens from Westphalia and Lower Saxony, and German wares, were exported from Bremen. This city was at a disadvantage in its harbour compared with Hamburg, and the Weser was not navigable so far inland as the Elbe, nevertheless the facilities of trade at both ports attracted merchants and merchandise, and foreigners freely received all the rights of burghership to induce them to settle there. The chief promoters of the Company of Merchant-Adventurers, inaugurated in the year 1611, were foreigners, and exiles from Holland in 1619 instituted the Bank of Hamburg. Hamburg and Bremen trade was chiefly that of carrying, and was dependent upon the varying wants of the countries for whom they acted as agents.

Lübeck, the capital of the Hanse, flourished for nearly four hundred years, but declined so much with the fall of the League, that the grass grew in its deserted streets. It retained a part of its trade with the northern kingdoms and with the south-west of Europe; to which countries, however, it sent but little German produce, except corn and wool. The annual fair, chiefly for the sale of wool, lost its former importance.

Dantzic rose into eminence upon the dissolution of the Hanse. It was the chief grain port of the Baltic. Dutch merchants made this port their great resort for corn, and its storehouses held 500,000 quarters of corn. Wool and timber, next to grain, were at first the principal constituents of its trade. As a free state Dantzic reaped great advantage

in purveying for the troops during the Seven Years' War. The city mixed itself up with the affairs, and partook of the fortunes, of Poland. It suffered many injuries to its trade by sieges, and still more by the policy of Prussia. In 1772 the state, along its whole extent, was hemmed in, and heavy duties were imposed which effectually stopped all inland trade with Germany. In 1793 Dantzic was compelled to accept a Prussian garrison and own allegiance to Prussia, when new havens arose, and a direct maritime commerce. Königsberg, Elbing, Stettin, and Stralsund share with Dantzic and Lübeck the intermediate or freightage trade, once in the hands of the Dutch. Embden and Wismar at this period grew to importance as German trading towns.

For a great part of the time embraced by the American War of Independence and the French Revolution, Germany itself, free from the distractions of war, administered to the wants of the belligerent nations. Trade and agriculture made rapid advances. Vast quantities of grain and timber produced in Poland, Prussia, and Germany were exported from German harbours. Butter, wool, and all kinds of cattle, the fruits of Mecklenburg husbandry, gave value and importance to the commerce of the port of Rostock. England and her colonies received Silesian and Westphalian linen. Flourishing manufactures of cotton sprang up in various states. Cotton goods, broadcloths, linens, and the mineral produce of Saxony became renowned throughout Europe. Lower Silesia entered upon new branches of manufacturing industry, and Upper Silesia worked new mines. The looms of Prussia in 1776-7 manufactured for the Russian market alone cloths to the value of 6,500,000 thalers. From the Mark of Brandenburg, and from Elberfeld, goods were sent to America. Customers from all quarters came to the Brunswick and Leipsic fairs. An active commerce was established in Prussia by Frederic the Great.

South and South-eastern States ; Austria.—The fruits of the commercial and industrial policy of Maria-Theresa and Joseph II. were gathered after their deaths rather than during their reigns. Austrian commerce was chiefly confined to interchange with Russia. Some trade nevertheless was pursued with America and the Indies, but none with Africa. Austrian linen, glass, and other manufactures came into use during the American War.

Bavaria remained in a backward condition longer than the rest of Germany, but felt at length the industrial influences of the period. Handicraft and husbandry improved, silk cultivation was introduced, and numberless mulberry trees were planted.

Wurtemberg, one of the most productive regions of Germany, recovered from the ravages of the war, and became the seat of varied if not extensive industries, of which the linen manufacture was the chief.

Vegetable and animal produce left a surplus for export. Tobacco took the lead in value, but the exports of timber increased year by year. The production of wines on the contrary decreased. Neat cattle were sent to France in large numbers.

At the date of the French Revolution the exports of Germany consisted of linen and linen yarn, flax and hemp, and wool and woollen cloth, calicoes and lace, raw silk and silk stuffs ; grain, timber, and staves ; Rhenish and Hungarian wines, tobacco, leather, Parmesan cheese, mineral produce, as copper, lime, and salt ; glass, porcelain, and pottery, Polish wool, wax, potash, pitch, tar, anise, dye stuffs, and Levant goods. The imports consisted of colonial and West Indian produce, spices, cacao, cochineal, tobacco, rice, Brazilian sugar, southern fruits, grain, flax, soda and potash, wine and brandy, paper, sailcloth, woollen cloths, furs, peltry, butter and cheese, bricks, talc, iron and other metals. These imports supplied the materials for new and improved manufactures in gold and silver thread, stockings,

cotton and woollen cloths, and cotton-printing. The manufacture of tobacco, sugar-refining, and brass and copper works also employed the people.

*SUMMARY OF THE HISTORY OF MODERN
COMMERCE.*

THE term Renaissance, used in art to designate a revival of taste and skill distinctive of the sixteenth century, would apply at that period to every department of human intelligence. After the long gestation of the Middle Ages, civilisation entered upon a career of wider range. Inventions reached their fruition; enterprise went hand in hand with knowledge; for to know spurred men on to dare. Maritime discovery, and the circumnavigation of the earth by Magellan, were fatal to ecclesiastical prescription. The labours of Kepler, Galileo, and Newton, aided by the application of the telescope, finally demonstrated the theory of the earth's rotundity, as well as of its axial and orbital revolutions.

In summarising these advances and their consequences, we are led to observe the general breaking up of old traditions, and an incessant struggle amongst civilised states to obtain possession of their share, then first available, of the full heritage of the world. For instance, it is at this time that we see the commencement of national commerce as distinct from municipal. Kingdoms bordering upon the ocean were more advantageously situated than Venice and the other Mediterranean states, whose maritime traffic was always partial and intermediate. Although comparatively few nations could be regarded as commercial during the period between the sixteenth and nineteenth centuries, nevertheless the region of interchange was vastly extended.

With the decline of Venice the link between the Hanse

and India was loosened, and its main commerce was diverted at the source. Various causes direct and indirect combined to curtail the duration of the league. The direct ones inherent in the institution itself may be summed up thus:—1st. The accomplishment of the purpose for which the league had been instituted. 2nd. The want of a principle of nationality. 3rd. The confined sphere of its action, as compared with the new areas and routes opened up in the course of maritime discovery.

The Hanseatic League arose when semi-barbarism prevailed throughout much of Europe, and when the right of the strongest was law. In promoting commerce and in increasing wealth, the league acted as a great civilising agency; but gradually the evil against which it had been an international safeguard seemed no longer to exist. Nations had grown prosperous and powerful, and law and order had become respected. Labour became organized, and traders could travel by sea or land, without fear of pirates or freebooters. The great bond of union, mutual defence, had become unnecessary; and the members of the league, being no longer coherent, fell asunder. The Netherlands, Denmark, Sweden, and Norway, felt that they could stand alone. Russia would not brook the pretensions of the imperious leaguers, and drove them from Novgorod, and transferred the Russian trade to other hands. Successive restrictions of Hanse privileges were put in force; the Tudors encouraged national commerce in English vessels; and Elizabeth almost put an end to intercourse with the Hanseates by the imposition of excessive tariffs. Another blow was the revolt of Bruges, one of the chief Hanse cities, which ended in the harbour being filled up with sand, and the trade and Hanse bank being removed to Antwerp. When this city was in its turn destroyed, the trade left for Amsterdam.

Again, the Hanseates were of no one country. The members joined for their own advantages, and fought to

defend themselves. There was no loyalty to the league itself as an institution. If the private interest of any town could be better served by severance from the league, there was no spirit of fellowship to prevent a secession, and in consequence, as the various states grew settled and wealthy, and therefore powerful, they threw off their allegiance.

Lastly, with the opening up of new fields for enterprise by the discoveries of Vasco de Gama and Columbus, another epoch was inaugurated. Minor causes of decay had their origin in faults of policy and conduct. The league abused its power. From the defence it proceeded to the monopoly of trade. The commerce of the east and north-east of Europe was virtually in its hands. It compelled foreign merchants to trade in Hanseatic ships, and destroyed any vessels in the Baltic belonging to nations outside the confederation. In order to suppress all interference with its sources of gain, it waged long and costly wars to crush the trade and maritime power of its rivals. It not only drove the flag of the Netherlands from the Baltic, but made Norway and Sweden succumb, while its contests with Denmark were almost continuous.

The disturbed condition of the Levantine states, after the capture of Constantinople by the Turks, operated powerfully in favour of the newly-discovered sea passage. Bagdad, the capital of the Saracen empire, and the representative of the splendour and trade of ancient Babylon, had greatly declined, its trade having been nearly ruined by the prevalence of predatory bands in its vicinity, and the rest diverted to Constantinople; which, by the fatal lethargy of its possessors, was now cut off from the rest of the world.

At the peace of Utrecht, in 1713, Hamburg, Lübeck, and Bremen were the only remaining representatives of this union. The Dutch superseded the Hanse merchants as intermediaries for the distribution of Indian goods throughout Europe, and were themselves gradually outstripped in the race by the growing vigour of the English.

But of all indirect causes of decline, those that arose from the unprecedented mental activity of the period were of the greatest consequence. Germany for many years was in the throes of the Great Reformation, the origin of religious and bitter wars, in which the Hanse took sides, and paid the penalty in its ruin.

For a hundred years Spain and Portugal reaped the reward of their naval enterprise in an exclusive possession of the treasure and merchandise arriving from the New World and from India. Colonies of Spaniards were established in Central and South America, wherever gold and silver were to be procured. Brazil was settled by the Portuguese, who also established a commercial dominion over the whole of India. Folly and perversity on the part of both the Iberian kingdoms, however, destroyed the fruits of empire faster than these matured. Indolence and selfishness consumed treasure without limit. Instead of blessing the Peninsula, gold enriched the more vigorous neighbouring states, and provided the capital which they, provoked by envy and ill-treatment, expended in hostilities against those very states to whom they owed the sinews of war.

The indisposition of the conquerors of America to manual labour, combined with their greed of gold, made them cruel tyrants towards the unoffending Indians, who were heartlessly enslaved, and goaded, and scourged to make them work in the mines, for which they were utterly unfitted by constitution. A remedy as bad as the disease, though approved of at first by Church and State, was inaugurated in fraud, and, under the designation of the *negro slave trade*, entailed momentous results upon America.

Of those who contended with the Spaniards and Portuguese for a share in the profits of commerce, the most formidable were the Dutch, who, as the chief carriers of Europe, were already skilful seamen, and were able by the beginning of the seventeenth century to supplant the Portu-

guese in India, and to deprive them temporarily of Brazil. This was the age of Dutch commercial supremacy.

The Eighty Years' War was a civil contest, the Low Countries at its commencement being subject to Spain. The Dutch, however, in the end achieved their independence. The South Netherlands remained longer under Spanish rule. Dutch enterprise, which had triumphed at home over climate, soil, and sea, showed the proud monarchies of Portugal and Spain that all Europe would not stand by and see them appropriate and misuse the two great continents of Asia and America.

Holland in its turn yielded to English ascendancy, the influence of which had begun to be felt in the days of Elizabeth. Our colonial empire, now so vast in its proportions, dates its origin from the discoveries of the intrepid mariners of this period.

The influx of the precious metals into Europe during the sixteenth century increased the amount of specie in circulation, and facilitated the operations of interchange. Its first effect, however, was to derange values, and ultimately it led to the raising of the prices or money values of all commodities. Facilities for commerce multiplied fast. Numerous new commodities swelled the list of articles of trade. Means of rapid communication and correspondence came into use. Credit was extended, and systems of indemnity became common. These strides in modern civilisation were exemplified in the great fairs of Leipsic and Brunswick; in the increase of insurance companies, first instituted in Florence; in the construction of canals and military roads; the establishment of the Antwerp, London, and Amsterdam exchanges; the general prevalence of banks and post-offices, and the negotiation of commercial treaties, of which that between England and Russia was one of the earliest. Industrial arts received a powerful impetus from commerce. The streams of raw produce now flowing into Europe accumulated a store of capital, drawing

forth the intelligence and skill of man, and providing subsistence for increasing millions of people. Linen and cloth-weaving flourished in the Netherlands. Silk stuffs became a staple manufacture of Lyons and Tours, and Saxony produced the finest lace.

The eighteenth century was distinguished by wars which devastated the Continent, and which fell with particular severity upon Holland and Germany. The Thirty Years' War was a religious contest. The German States, though sadly impoverished by it, revived with peace. War in these times, indeed, was slow and monotonous; the besieging of fortresses and an occasional pitched battle occupied the summer, the winter being employed in negotiations. Notwithstanding frequent and protracted hostilities, comparatively little change was made in the boundaries of the European states. Russia and Prussia, however, were aggrandised, and Sweden and Poland were in a measure dismembered.

Russia is interesting as being the last of the great powers to assume its place among commercial states, and in recalling the story of the foundation of ancient sites of commerce, in the new capital which Peter the Great reared on the Neva. St. Petersburg, like Constantinople and Alexandria, sprang into existence by the fiat of royal will. Novgorod *Veliki*, the ancient Bank of the Hanseatic League, revived. So obvious were its advantages for trade that Peter thought of making it his capital. In the course of a few years Nijnii Novgorod, at the confluence of the Oka and the Volga, became the scene of the largest cosmopolitan fair the world has ever seen.

Connected with European conflicts were claims to the newly-discovered or recently-settled foreign districts, and in extent of outlying territory, England, whose soil was always free from foreign foes, profited by the opportunity and gradually rose to the front rank amongst commercial nations. The groundwork of commercial success had been

laid in the previous century, when, stimulated by the great naval discoveries, and encouraged by the sovereigns of the House of Tudor, domestic industry and commerce had expanded, colonies had been founded, geographical explorations undertaken, and a naval power created whose prowess was relied upon, and not in vain, to meet the Invincible Armada. The Navigation Laws of the time of Cromwell took from the Dutch a vast trade which was thenceforth conducted by the English themselves.

The active commerce of the United States took its rise in the troublous times of the American and the French Revolutions. The partial suspension of British commerce, and of the colonial trade of North America, favoured the West Indian settlements of the other European states. Cuba increased its production of sugar to such an extent that there was a surplus for foreign markets even when Spain had been supplied. A like stimulus promoted an increase of production in the French islands of Guadaloupe and Martinique. The profits of planting tempted the smuggling fraternity of St. Croix to raise sugar; while the colonists of St. Thomas took advantage of the Dutch being drawn into the war, in 1781, to engage in the contraband trade. So eagerly coveted were the West Indian Islands, that every maritime state in Europe eventually secured settlements there, the British, Spanish, French, and Dutch. While the buccaneers remained and made the islands their retreat, neither peace nor industry could prevail. It at length became a common object to put them down, and they were either exterminated or compelled to resort to more honest modes of getting a livelihood. The matchless fertility of the islands showed itself in due course, and coffee, sugar, tobacco, and other tropical produce enriched the planters. Towards the end of the eighteenth century the islands were the abode of wealth, except where the blighting influence of Spain remained, as in Cuba. Spanish fatality attended this island, which, a generation previously, was the most productive pos-

session of Spain, but now only raised unimportant quantities of cotton, sugar, cocoa, and tobacco. Yet even the Spaniards could not wholly ruin the productive power of the "Queen of the Antilles."

When the separation of the colonies from the mother-country was completed, England transferred to Canada the privilege of colonial trade. As the Canadians traded with the United States, the same commodities still reached the West Indies, but were made dearer by taking a circuitous route. The loss to England of the United States was more than counterbalanced by the new acquisitions of the East India Company, which developed into a vast empire.

Maritime adventure, though in the magnitude of its results surpassed by the new hemisphere recently discovered, made known the thousand palm-clad coral reefs of the Pacific, the great continent of Australia, and the ice-bound confines of both the poles. The various states of Europe began to be rated in wealth and consequence in the order in which they promoted commerce, by their facilities for transport, their naval resources and colonial dependencies, the security they afforded to life and property, the equity of their laws, the increase in number and size of their towns, the establishment of markets, and of standards of weights and measures.

Inventions as wonderful as those with which the era of modern commerce opened, closed the period and ushered in that in which we live. Steam began to be used as a motive power, and increased the wealth of the world. Immense beds of coal were wrought in aid of machinery; science and art were enlisted in productive industry; the resources of all civilised nations were called forth in an unexampled manner; population rapidly increased, and myriads of people, who under former conditions could not have found the simplest elements of subsistence, were enabled to live in comfort.

Phenomena of a corresponding character were observable in urban handicrafts. There was a general disintegration of

guilds and close corporations, which, however necessary in preceding ages for mutual protection, now only interfered with the freedom of labour. The produce of the soil also was added to by the stores coming from the New World. Science was called in to the aid of agriculture. Improved implements were fabricated and used ; the nature of the soil and the rotation of crops were made subjects of careful study. As knowledge brought new factors into play, human labour was more and more emancipated from drudgery, the forces of nature were called upon to relieve muscular toil, and mind, more than ever before, triumphed over matter.

THE GROWTH
AND
VICISSITUDES OF COMMERCE.
WITH STATISTICAL SUPPLEMENTS.

(From 1790-1885.)

PART IV.

CHAPTER I.

PORTUGAL AND THE PORTUGUESE EMPIRE FROM 1790-1885.

*I. TEMPORARY PROSPERITY.—NAPOLEONIC ERA.—
SUBSEQUENT HISTORY.*

A CONCURRENCE of circumstances gave to Portugal a temporary prosperity about the period of the French Revolution. Brazil was becoming an important source of revenue owing to the increasing demand for Brazilian sugar in Europe. This demand had received a new impetus from the insurrection in St. Domingo, which devastated the plantations, and stopped the supplies from that island. At the same time, through the distractions in Spain, it devolved upon Portugal to supply the Spanish colonies with many commodities previously obtained from their mother country; and owing to the rapidly-growing wealth of England, the wine trade of Oporto was increasing. This comparatively flourishing period came to an end upon the refusal of the Regent, in 1807, to seize British merchandise at the bidding of France. The kingdom was then invaded, the king fled to the Brazils, Napoleon declared the throne vacant, and

Portugal was treated as a conquered country. Brazil now found new markets for her produce, particularly in the United States; and Portugal lost almost all share in a commerce which she once monopolised. England upheld the independence of the kingdom, from 1809 to 1814, by arms and by subsidies, amounting altogether to £19,000,000. This kept the languishing branches of industry alive, and stimulated the production of commodities for exportation. The value of the consignments to England between 1811 and 1815 amounted to £5,000,000. With the downfall of Napoleon, English aid ceased. The king continued to reside in Brazil. Husbandry was paralysed for want of implements and roads, and manufactures were depressed. Foreign trade was not merely carried on in English ships, but was conducted by English merchants, who had houses of business in Lisbon and Oporto, and English goods formed the staple of exchange, only a trifling intercourse being continued with Germany, France, Italy, and Brazil. The Great Lagune of Setubal supplied the material for a trade in salt. St. Michael oranges were exported in large quantities from the Azores; but the trade in fruits had, with this exception, much diminished. The policy of Portugal towards her dependencies was narrow and ill-advised; the slightest approach to self-government was denied them. They were regarded solely as commercial stations. The crown claimed the first-fruits of colonial enterprise, and encumbered the colonists with irksome regulations, till the bonds of allegiance were irrevocably severed. Political conflicts distracted the country from 1820 to 1835, during which period the independence of Brazil was formally recognised, and from being an appanage of Portugal, this splendid territory became the refuge of the House of Braganza. This was a serious blow to Portuguese commerce, for the exclusive claims to Brazilian produce were for ever done away with. A resident sovereign was once more established on the Portuguese throne, but the subsequent history of the kingdom is one of painful debasement. "An

attempt was made, in 1837, to encourage native manufactures by imposing heavier duties upon imported goods, and in 1841 they were burdened with further imposts, but the home industries which it was intended thus to benefit have since suffered from lack of raw materials and want of capital. The customs dues, nine-tenths of which are collected at Oporto and Lisbon, being levied according to weight, coarse and cheap goods, which are most in demand, can only be obtained at an excessive addition to their value, the increase varying from 25 to 133 per cent. on the prime cost. Fine goods, which Portugal is in too backward a state to fabricate, are almost altogether withheld from the inhabitants, or are obtained only by smuggling."

Trade with the United Kingdom scarcely progressed, owing partly to the excessive contraband traffic across the Spanish frontiers. The aggregate value of the British trade with Portugal amounted in 1870 to less than £5,000,000, of which under £2,000,000 was the value of the imported British produce and manufactures. Manufactures of woollen and cotton goods, paper, and tobacco, employed many persons in Lisbon, and the printing of cotton goods, imported from England, practically put a stop to the trade in English printed goods. Between Oporto and Great Britain interchange was chiefly confined to wines and cottons, the value of each of which, in 1870, was under £1,000,000. Besides wine, the staple exports were wool, cork, fruits, oils, cotton, salt, and the ores of copper and lead, minor exports being orchil and wax, cattle, potatoes, and onions, with minerals. These products, under a better system of legislation, might be much increased. England continued to send to Portugal cottons, woollens, hardware, salt fish, and other commodities. The slow progress of commerce can be exemplified by comparing the returns of commercial intercourse between Portugal and the United Kingdom with other countries similarly trading; the total exports *and* imports at the end of the period now being considered, amounted in round

numbers to only about five millions sterling. The consequence was that the intolerance of the Portuguese commercial law drove the few people possessed of fortune away from their native land to live abroad, where they could enjoy the advantages of a higher civilisation.

Portuguese colonies were in the same state of exhaustion as the kingdom to which they belonged. No revenues accrued from them, yet they were jealously held by the mother country. An offer made by England to buy the settlements of Goa, Diu, Damas (between Surat and Bombay), Macao, and part of Timor, the sole relics of the Indian greatness of Portugal, was proudly declined. The collapse of the slave-trade too deprived the African settlements of their value. A few commodities, such as hardware and wine, were sent to the coast of Congo, and, in return, were received small quantities of the once-extensive exports of gold-dust, ivory, hides, horns, tortoiseshell, feathers, wax, gums, and palm-oil. Most of the colonial trade with Africa, and the whole of that with Asia, soon fell into the hands of the English, and the part afterwards taken by Portugal in the commerce of the world was insignificant.

II.—PORTUGUESE EMPIRE IN AMERICA.—BRAZIL.

When Napoleon dethroned the reigning king of Portugal his authority was still recognised in Brazil, and eventually an independent empire was established there. A sentiment of loyalty united the Brazilian colonists, and as none of the disasters of an unsettled executive prevailed, the government was able from the first to devote its energies to the development of the resources of the country. The consequence was that Brazilian commerce assumed proportions it had never before reached, and soon ranked in the New World only next to the United States in wealth and extent of commerce. Its vast area of fertile soil furnished manifold useful products from the three kingdoms of nature. Both slavery and the slave-trade were continued after their suppression in the

British West Indies, and thus Brazil, like Cuba, appeared to possess advantages for the promotion of agricultural industry and commerce, and accumulation of wealth, as a result of the continued exercise of inhumanity.

No longer compelled by law to send all her produce to the mother country, her planters and merchants soon found more desirable markets. Improvements in husbandry were made; the revenues, formerly claimed by the Portuguese government, were devoted to domestic advancement, highways began to be constructed to connect the principal towns of the empire. Gold mining had long been very productive, and many new mines were opened, as well as others for iron. The state monopoly of searching for the diamonds, which abound in the rivers of Brazil more than in the mines of Golconda, was abandoned. Subsistence for ten thousand people was provided in this direction alone, and the produce greatly multiplied.

The cultivation of coffee, sugar, and cotton soon greatly extended. Brazilian sugar competed with that of the West Indies, and supplied a great part of Europe, although prohibited in England because it was slave-grown. Coffee rose to be the staple export, but in cotton-growing, Brazil found a rival in the Southern States of North America, whose soil was better suited for the cultivation.

Rio de Janeiro and Bahia, the commercial marts of the empire, were the two chief ports of South America. Bahia in the eighteenth century was the metropolis of Brazilian trade, but Rio de Janeiro, being the capital of the new government, made more rapid progress, and now stood first, both commercially and politically. Pernambuco, the third port, had a flourishing trade, especially with Liverpool, the chief firms in the city being themselves British. In 1800 sugar was exported to the amount of 44,000,000 lbs. In 1837 this had increased to 264,000,000 lbs., and in 1868 the exports were nearly 2,500,000 cwts. Brazilian coffee, competing with that of Java, declined in price during this inter-

val, but the produce was multiplied sixfold. Still more rapid progress has since been made. The export of coffee in 1867 amounted to 3,771,000 cwts., valued at just over £8,775,000. In 1822 the quantity was only 150,000 bags. Cotton cultivation received a great impetus during the American war. In 1868 we find 826,688 cwts. shipped from Brazil, nearly the whole being consigned to the United Kingdom; salted and dried hides, tapioca, tobacco, India-rubber, cabinet and dye-woods, flour, honey, ipecacuanha, cocoa, rum, and molasses, being the other principal products exported. Immense herds of horned cattle and horses furnished, in addition to hides, the minor animal products of "jerked" beef (*charqui*), bones, horns, horsehair, and tallow. Turtle eggs reduced to an oily preparation, and preserved in large jars, provided more than 1,000,000 lbs. weight of food for consumption. The rivers, which teem with fish, remain a source of great profit.

"Brazil is, notwithstanding these advances, an almost uncultivated field of wealth. Its available produce consists entirely of raw substances. For manufactured goods, for which the exports of Brazil are more than sufficient to pay, she chiefly depends upon Europe, more especially on Great Britain and France. More than one-third the export trade of Brazil is with our own country, and averaged in the five years ending 1870 the annual value of twelve and a half millions sterling." The imports from England and France to Brazil together exceeded the gross imports of the whole of the Spanish colonies. Woollen goods, soap, hardware, and coal came from England, and olive-oil, lamp-oil, and timber from France. Germany sent linen, iron-work, and arms. The United States, also, tea, flour, coarse woollens, and cottons. Iron from Sweden, and wines from Spain and Portugal, completed the list of imports. Trade was also facilitated by the construction of railroads and by steam navigation; and the Brazilian government showed some progress towards forming a navy and mercantile marine.

Wonderfully as Brazil advanced in this period, various circumstances still retarded her progress. She still suffered from a paucity of population, which no influx of emigrants appreciably increased; and slave labour only in a small measure remedied this drawback. Brazil has been kept back above all by the faults of policy derived from Portuguese tradition, and has never been able to understand the principle of unrestricted trade. Europeans, especially Germans, have been invited to settle, but legal interferences with the liberty of the colonists have driven them away again. An impolitic tariff furnished nearly the whole revenue of the crown, imports being charged with duties, amounting to more than a third of their value. This in a country without manufactures, not only denied to the people goods which they greatly wanted, but checked the development of their own resources. Another detriment to trade was an abuse of the system of credit. Payment for exports was formerly required in advance, even before the crop was gathered, and the greatest confidence did not go beyond cash on delivery. Upon imports, on the contrary, credit extending over twelve months was demanded. Great risks were thus thrown upon foreign merchants, and not accepted by the merchants of Brazil. Heavy losses were in consequence sustained by foreigners, through the failure of Brazilian firms, and foreign houses now restrict their credit generally to bills at sixty or ninety days, or execute orders only for cash. It must be mentioned, in favour of Brazil as compared with various states of the American Union, that no public debt has ever been repudiated, nor has payment of the interest been delayed.

The reigning Emperor of Brazil, an enlightened sovereign, made, with the view of applying to his government the wisdom gained from experience and travel, an exhaustive and careful tour of Europe, diligently investigating the causes, both social and commercial, of the well-being of the various European states.

CHAPTER II.

SPAIN AND SPANISH COLONIES FROM 1790-1885.

I.—SPAIN.

SPAIN played a double part during the wars of the French Revolution and the Empire. In 1795 the government withdrew from the coalition against France, and made peace with that country, and in the following year was coerced into declaring war against England. A terrible penalty was exacted by the British. The battle of St. Vincent, in 1797, crippled the Spanish navy, and left the South American settlements open to attack. Spain lost ships, treasure, and colonies, the last, however, being restored by the treaty of Amiens in 1802. The naval power of Spain, as well as that of France, was annihilated by Nelson at Trafalgar, in 1805. Napoleon invaded Spain in 1807 with a view to the subjugation of the Peninsula. English arms and gold maintained the contest until the French were driven back across the Pyrenees. A far severer calamity than even the devastations of the French, was the rebellion of Mexico, Columbia, Peru, Chili, and La Plata, against Spanish rule. Abetted by the democratic Junta at Cadiz, these colonies declared themselves free, and Spain was powerless to prevent their establishment as independent republics. Of its American possessions, Cuba and Porto Rico alone remained faithful to the mother country. Thus the narrow policy of thwarting colonial industry to maintain a state of dependence upon the home government confuted itself. Peace ensued upon the capitulation of Paris in 1814, but without prosperity. An excess of expenditure over revenue added

yearly to the national debt, while the strength to bear it was continually lessened. The rich mineral resources of the country were neglected, manufacturing industry almost died out, and agriculture alone furnished a few scanty exports.

In 1833 Isabella II., by the will of the late king, was crowned Queen of Spain. This violation of the Salic Law was the cause of a civil war which lasted seven years. The revenue now no longer sufficed to pay the interest on the national debt, and public credit was destroyed. Money was raised by pledging the revenues of Cuba, Porto Rico, and Manilla. Church lands were sold, and stock was created at a considerable disadvantage. No attempt was made to pay off some of these obligations, and Spanish bonds remained at a heavy discount on all the exchanges of Europe, and Spain retrograded actually as well as relatively.

Among more recent events in the history of Spain were the deposition of Queen Isabella, and the election of an Italian prince to the vacant throne. For a few years previously there had appeared a tendency towards improvement, both in trade and political administration, as well as in agriculture and manufactures. The national defences had been put on a better footing, and the finances had been so far regulated, that a war in 1860 with Morocco was carried through without deranging the budget. The 1866-7 revolution, with its political, ecclesiastical, and commercial freedom, gave some hope of further improvement. But as yet the only manufactures of any importance were cotton, iron, and earthenware. The exports much exceeded imports in tonnage and value, evincing, in the face of a protective tariff, how unwisely Spain cuts herself off from the enjoyment of foreign commodities. The British Trade Returns illustrate this, for the total exports together with imports, which should be very much larger with such resources as Spain has at command, amounted only to some eight and a half millions sterling. Up to this period of the century the lawful commerce between Spain and England had year by

year lessened, owing in a great measure to the extensive contraband trade with France, which the old government was too weak to arrest, either by altering the tariff, or by enforcing the law. Commerce, placed chiefly in the hands of foreigners, showed signs of rising again under native enterprise. Shipbuilding revived, the vessels engaged, even those of native ownership, having been hitherto almost invariably built abroad; and an effort was soon made to reconstruct a navy. The implements of husbandry and the tools of the artisans, had likewise been of foreign make, usually British. The mineral resources of the country are very far from being exhausted, although inadequately wrought. The chief are gold and silver, and, in greater abundance, iron, lead, copper, cinnabar, the ore of quicksilver, and salt; several of which are abundant enough for exportation. Other exports comprised wool (in which hardly more than one-tenth of the olden trade is done), wines, fruits, olive-oil, esparto grass for paper-making, cork, and cattle.

The imports were colonial produce, woollen, cotton, linen, and silk fabrics, flax and hemp, spices, Peruvian bark, works of art, cabinet-work, hardware, glass, tin, and copper; timber, salted and dried fish, salted meat, butter, cheese, poultry, swine, and mules; these last from France.

Railways, introduced to some extent into Spain, soon reanimated many of the towns, but none so completely as the important seaport of Bilbao, on the north-east coast. The trade of Madrid consisted almost entirely of imports from the provinces, and from France and England. Barcelona was the commercial capital of Spain. It is the chief city of Catalonia, a provincial centre of the cotton manufacturing interests, and the fear of the insurrectionary tendencies of the Catalans up to this time prevented any modification of the heavy duties. Barcelona sent iron, copper, fruits, wines, and cork to America and England, receiving in exchange cotton, timber, hardware, dried fish, and wax. Cadiz remained the port for the great trade in sherry, which was

principally consumed in the United Kingdom and in Russia. The average value of the wine exported annually from Cadiz, taking it at £30 a butt, was more than £2,300,000, and 78,000 butts were shipped in 1871. Sherry is named from Xeres, where the vineyard has gained such great celebrity that there prevails a common belief in the inferiority of every other site of wine cultivation. This idea is not well founded, for the merchants of Xeres purchase "must" from adjoining, and even distant vineyards, and high-class wines are also made at Port St. Mary. Malaga and Valencia completed the list of important Spanish ports. The export of wine somewhat fluctuated and declined during the later years of this period.

II.—SPANISH COLONIES.

Cuba, the "Queen of the Antilles," is the most important Spanish colony. It has been viewed by many nations with longing eyes, and offers to buy it have been made by the United States ; but the Spaniards, even when overwhelmed with debt, have resisted the temptation. Early in the present century the revenues of Cuba were the mainstay of Spanish credit. The advance of the colony since 1820 has been rapid. Its exports from that date down to 1840 were chiefly silver in greater quantities than from any other colony, coffee exceeding in value all that obtained from the rest of the West Indies, and tobacco. In return there was a great demand in Cuba for European goods. The prosperity of the island received an impetus from the immigration which set in from Mexico and South America, when the Spanish dependencies threw off their allegiance, and many wealthy Spaniards settled in Havannah. To these colonists the island owes the cultivation of the sugar-cane, and an extension of the growth of tobacco. The tobacco of Cuba is the finest produced, and, with sugar, became the staple of the plantations. There were several ports, of which Havannah and Matanzas were the principal. The exports

from each consisted of sugar, molasses, and tobacco. The total produce of the sugar-cane exported from the island in 1867 was 724,112 tons. England, France, and the United States were the largest buyers of Havannah tobacco, of which, in 1867, there were exported nearly 668,900 cwts., besides 199,027 thousands of cigars. Honey, wax, rum, coffee, silver, and copper were valuable, although minor, items of produce. British cargoes alone, outwards and inwards, entered, in 1864, at the two ports of Havannah and Matanzas, were worth £7,500,000. Besides textile fabrics, especially cotton and linens, the imports into Havannah consisted of cod fish, jerked beef, and lard; flour and rice, wines, olive-oil, whale oil, and coal. Hamburg and Bremen, and to a less extent Holland and Belgium, held commercial intercourse with Cuba.

Porto Rico.—"The resources of this colony resemble those of Cuba. The chief productions are sugar, molasses, cotton, tobacco, coffee, rum, and hides. The West Indies compete with the East Indies in supplying the European demand for tropical produce. Sugar and tobacco, for which the soil and climate are more suitable, were introduced successfully, in preference to coffee, which grows better elsewhere. To the produce of these staples, if skilfully cultivated, there seems no practical limit. The principal part of Spanish commerce remained in the possession of foreigners. It is better, however, that the profits should be thus distributed than that none should be made, for the world generally is benefited, and the colonies in particular. It is better even for Spain, for without native merchants it is only by this means that she can be supplied with the productions of her own colonies." The trade of Porto Rico was, however, monopolised by a few wealthy Spanish and American firms, who, as far as possible, prevented British interference.

COMPARISON OF THE TRADE OF PORTO RICO.

While the value of the imports in 1862 was £1,839,821,

and of the exports £1,158,792, in 1867 the imports had risen in value to £3,000,000 and the exports to £2,000,000; for further statistics and growth of trade, *see* Supplement.

III.—SPANISH POSSESSIONS ON THE MAINLAND.

The territories on the Spanish Main continued to be under the dominion of Spain until the earlier portion of the present commercial epoch, when they shook off the Spanish yoke and became independent republics. Whilst under the power of Spain, the precious metals and gems were almost the only productions sought, and they continue to be the most important. The following summary of the yield of precious metals will account for the neglect of agriculture on the Spanish Main, many years after the West Indian Islands were in a flourishing state of cultivation:—

SUMMARY.

FROM THE YEAR 1701 TO THE YEAR 1809.

Province.	Value of Metals, in Spanish Piastres.	Total. Spanish Piastres.
Mexico—coined in the Mint.	1,216,160,000	
„ not entering Royal Treasury.	243,000,000	
		1,459,160,000
Peru	400,000,000	
Bolivia or Upper Peru	385,000,000	
Chili	78,500,000	
New Granada	229,000,000	
		1,092,500,000
		<u>2,551,660,000</u>

This gives an annual average for 108 years of about 2,360,000 piastres, or somewhat less than half a million sterling.

IV.—LA PLATA OR BUENOS AYRES.—ARGENTINE REPUBLIC.

While under Spanish rule maritime commerce with Buenos Ayres was inconsiderable. The trade was chiefly in hides, wool, and other products derived from the sheep and cattle, which had descended from animals originally

introduced by the Spaniards. Argentine commerce, for the time under notice, comprised exports of skins, grease, tallow, horsehair, horns, bones, bone-ash, salted meat, and still more recently *charqui* (jerked or sun-dried beef), which was first sent to the West Indies, and, with the extract of meat, at length found a market in Europe. Many attempts had been made to utilise the flesh of the South American and other cattle, without much success; but the progress of scientific experiment promised a good hope that at no remote date the object might be attained of preserving meat in a fresh state during a voyage. The hides of La Plata fetched a higher price than those of Europe, owing, probably, to the climatic conditions which improve the drying. Some proprietors possessed herds of cattle, numbering 20,000 head. There were, however, but few dairy farms. The number of animals at this period reared in the united provinces of the Republic exceeded 17,000,000 of horned stock, 72,000,000 sheep, and about 3,500,000 horses and mules. Wool had hitherto been an unimportant product, but efforts having been made to improve both its quality and quantity, by the introduction of Saxony sheep, the exports to Great Britain and France now grew considerably. The cultivation of wheat was, formerly, of little account, and much had to be imported from North America, but enough has since been raised for home consumption.

The immigration of French and English settlers, too, greatly increased the commercial intercourse between their adopted and their native homes. England forwarded textile fabrics, mostly cotton and woollen, and ready-made clothes, iron, ship stores, hardware, tinned plates, coal, and beer. France sent silks and wines. Buenos Ayres, in later years, much increased its trade with Europe and the United States. The total value of its foreign trade in 1866 was not far short of £11,000,000, of which the imports were about half a million more than the exports. More commodities were imported from Great Britain than from any other

country ; the average annual value of the exports to Great Britain was £1,500,000 and of the British goods and manufactures taken in return £2,400,000.

Uruguay.—The commerce of this pastoral and agricultural district was centred in Monte Video. The live stock reached 8,500,000 head of cattle, 5,000,000 sheep, and 2,000,000 of other kinds. Its exports were like those of La Plata, but the hides were regarded as inferior, and seal-skins were added to the list. Vast natural resources were yet undeveloped, owing to intestine commotions, from which the country failed to free itself since it achieved its independence. British goods formed the bulk of the imports. They consisted of cottons especially, and of fine and coarse pottery, hardware and cutlery, painters' colours, beer, and coal. Out of the total population of 126,000 in Monte Video in 1870, more than half were English, Italians, and other foreigners, and there has since been a large Spanish immigration. The average value of the exports of produce to Great Britain in the five years ending with 1870 was about £1,250,000 and of the imports of British goods nearly £1,000,000. France carried on a large trade with this republic, as also the United States, the Netherlands, Hamburg, and Bremen, and its commercial importance increased, despite political drawbacks. The exports to the United States, in 1866, were valued at more than one and a half millions sterling, having doubled in four years.

Chili.—In the struggle for independence this republic obtained the advantage of a settled government several years before the other South American States. Its commerce increased after separation from Spain. Europeans were attracted to the country, and large stores of goods arrived at Valparaiso, which became an emporium, whence they were re-shipped to Lima and the ports of Mexico, or sent overland to Bolivia. English capital assisted in developing the resources of the country, and a suburb on the heights of Valparaiso was inhabited solely by English, North

Americans and French, in whose hands the foreign trade almost exclusively lay. Only nine vessels entered the harbour of Valparaiso in 1809. In these later years they exceeded two thousand annually. Of the products of Chili, England received chiefly copper ore and *regulus* (or the ore refined), hides, and saltpetre. The produce received in England in 1870 was of a value little short of £3,000,000. Besides the commodities named, exports consisted of cereals, guano, wool, tallow, also silver and tin ore, cotton, timber, indigo, fruits, vegetables, and sarsaparilla. Against these were imported European manufactures and colonial produce. Tea and silk from China were at one time imported, but the former had to give place to *maté* or Paraguay tea. The silver mines were neglected during the years of insurrection, and when, after 1820, they were re-opened, the scarcity and high price of the quicksilver, used in extracting the silver from the ore, rendered the workings unprofitable. New sources of quicksilver again directed attention to the mines of Chili, which became systematically worked. Chili furnished enough grain to supply Peru and Brazil. The discovery of the gold-fields of California and Australia promoted the industry and trade of Chili, whose geographical position renders it a convenient emporium for those rich and important regions, to which it has exported provisions and vegetables in large quantities. Chilian horses are in high esteem. Some were shipped in 1842 to England and Hamburg, but the experiment was not sufficiently successful to create a traffic. Valparaiso is a victualling station for ships sailing to the Pacific ports. A railway also connects it with Santiago, the capital of the Republic. Ship-yards and bonded warehouses were soon erected, and a regular steam service was established with Callao and other ports on the Pacific. The government began constructing a navy, and the Chilians to assume an active share in their own foreign trade.

Peru.—Peru possessed above a thousand mines of gold

and silver. Its fertile soil was well suited for the operations of the farmer, and especially for the rearing of cattle and sheep. The country, nevertheless, depended upon its supply of guano—the accumulated *excreta* of myriads of sea-birds—for the maintenance of an extensive foreign commerce. Much of Europe has been fertilised with this guano, while Peru itself yet lies nearly wild and waste. Agricultural implements remained but partially used, a rude and scanty tillage being unaccompanied with the use of manure, while heaps of refuse in the towns infected the air. Manufactures, even if they deserve the name, were of the coarsest description, and none could be called national. Mining was abandoned in 1820, and although British enterprise partially revived this industry, the circumstances of the country prevented its success. Peru was a loyal possession of the crown of Spain, but was forced to become independent, and the subsequent quarrels between rival factions almost ruined the country. “Domestic slavery still lingers in Lima, but the old spirit of servitude has decayed. A trivial yield of cotton, sugar, and coffee remains as a relic of the industry of the eighteenth century.” Nevertheless, some progress, at this time, existed. Guano proved a source of wealth to Peru, and the riches derived therefrom seemed to inspire the inhabitants with the desire for improvement. From 1845 to 1870, Great Britain alone imported four million tons of guano, chiefly from the Peruvian islands, valued at nearly £47,000,000. Industry thus foreshadowed the revival of trade. The rich mines of Pasco now yielded a greater amount of silver, and others began to be again opened. Quicksilver, tin, copper, iron, lead, cobalt, and sulphur were obtained in various places. Saltpetre was found along the Pacific shores, and salt collected from the *salinas*, or salt-ponds, near Callao. The alpaca was bred for its wool, which, with the wool of the llama and the sheep, as well as their skins, formed, next to guano, the most valuable export from Peru. The vast forests yielded cinchona or Peruvian bark,

sarsaparilla, copaiba, caoutchouc, resin, and gum; cedar and mahogany, and the bark of the latter with Brazil wood, logwood, and annatto for dyes, while cotton, rice, maize, tobacco, chinchilla furs, cochineal, and spirits, were less important items of export. Sugar was sent to Mexico, New Granada, Ecuador, and Chili. The value of the exports to the United Kingdom in 1870 was nearly £5,000,000, an increase of more than £3,000,000 over their value in 1802. The export of British produce to Peru in 1870 was of the value of £1,760,000. The aggregate value of the import and export trade of Peru in 1866 was about £12,000,000; and more than two thousand vessels entered and left the port of Callao yearly.

Bolivia or *Upper Peru*, thus named in honour of its president, Bolivar, obtained its independence in 1821. Its prosperity sank rapidly during the years of insurrection, and frequent revolutions conspired to cause continued injury. Potosi, which still possesses the richest deposit of silver in the world, declined in population from one hundred and thirty thousand to less than ten thousand inhabitants. English capitalists tried in vain to revive the mining works, the proprietors of which had been driven from their property by the persecutions of successive governments. Scarce a forge was at work of the many scores which were busy before the revolution. Nature too denied to the Republic the facilities of commerce in cutting off the habitable parts of the country from the sea-coast, by a line of precipitous mountains and a sterile desert. Difficulties which in many states would have been met and overcome, were only increased by the bad policy of the Bolivians, who thus allowed their name to disappear from the markets of the world.

The resources of Bolivia resemble those of Peru. Cocoa, sarsaparilla, vanilla, copaiba balsam, caoutchouc, and a kind of cinnamon grow spontaneously. Cotton, rice, tobacco, indigo, and drugs also grow with little labour. Fine timber for shipbuilding and every economic purpose abounds in

the forests which reach down to the river banks, whence are also obtained products from which aromatic and medicinal principles are distilled. The dried leaf of the *coca* (*Erythroxylon coca*) is universally chewed. A twelfth part of the revenues of Bolivia are drawn from the impost upon this leaf, of which ten million pounds are said to be prepared every year. Gold grains are abundantly carried down by the mountain streams, and there are many silver mines besides those of Potosi. In the high mountains, at a distance from the coast, are found large masses of virgin copper, which the difficulties of transit render useless. Ores of lead and tin are common, as well as saltpetre, sulphur, and salt.

Self-debarred from interchange, the Bolivians were obliged to manufacture their own clothing. Coarse, strong textures of cotton were made by the Indians, and the llama, alpaca, and vicuña furnished wool for cloths and hats. The exports were limited to the precious metals, nitre, cotton, the woollens and wool of the vicuña, alpaca, and llama. The trade was conducted almost exclusively by Germans, the English being shut out from any direct interchange, except at the port of Cobija. Our imports from Bolivia were necessarily of very small value, being only a little over £120,000 a year.

Paraguay.—The republic of Paraguay gives a name to one commodity, its most important export, viz., Paraguay tea, or maté, which is extensively used throughout South America. Paraguay was early independent, but under the absolute dictatorship of Dr. Francia, who governed the republic from 1814 to 1840, commercial intercourse was put an end to, and an exclusiveness maintained more jealous than that of China, and more rigorous than the continental system of Napoleon. Before this period the chief exports were maté, timber, sugar, cotton, tobacco, and hides. To Buenos Ayres there were sent eight million pounds of maté and one million pounds of tobacco, besides cotton, sugar, molasses,

and rum. These substances, besides coffee, cocoa, maize, rice, indigo, and manioc, yet form (or until a near period have formed) the chief natural resources of the country. With security to life and property Paraguay might become wealthy and prosperous. Prior to the war of 1865 the government was in the hands of President Lopez, but the subjugation of the country after a protracted struggle by the united forces of Brazil and the Argentine Republic, seemed to be complete. Then it was impossible to foresee with any certainty what would be the results of this contest in a commercial point of view, but it appeared that the opening of the great rivers Paraguay and Parana, by which the territory of Paraguay is enclosed on either side, would not be long delayed. The forests of Paraguay supply valuable timber, dye stuffs, drugs, resins, and gums, and within their retreats innumerable wild bees furnish honey and wax. Fine rivers form the highways of communication with Bolivia and Brazil. The mineral resources continue unknown, but appear to be scanty.

Colombia or New Granada.—When the vice-royalty of New Granada separated from Spain in 1819, it assumed the name of Colombia. After varied political fortunes the State resolved itself into the three Republics of New Granada, Venezuela, and Ecuador or Quito. The first named of these, formed at this time a confederation of States, ten in number, known as the United States of Colombia, or the Confederation of New Granada. Revolution did not spare these States any more than the rest of South America. Their industry and trade took long to recover from the shock which in a few years destroyed almost all the capital of the country, but in later years New Granada and Venezuela began to give evidence of a commercial revival. A considerable quantity of silver and a fair amount of gold were formerly obtained from these regions, and some reports in reference to Venezuela showed that this produce might even yet be relied upon with assurance of profit. The pro-

ductions of New Granada are very varied, owing to the diversity of its soil and climate. Progress, however, has always been rendered difficult by physical obstacles and a sparse population. Impassable marshes, and mountains so rugged that merchandise can only be carried on the backs of men, separate the productive parts of the country from the sea-ports. The marshes are pestilential, so that colonists fear to settle, although offered many inducements to do so by the government. Before 1800 cacao, indigo, and tobacco were cultivated for export, and were exchanged for provisions, soap, and candles from the United States, and for cotton and linen stuffs, chiefly from England and France. Trade fluctuated as a consequence of these drawbacks, but the immense natural resources of these States gave promise of ultimate success, and at this period signs were not wanting of a revival that might be conducive to permanent prosperity. Balsam of Peru, cascarilla and Peruvian barks, caoutchouc, cocoa, coffee, cotton, divi-divi, fustic, straw hats, hides, indigo, logwood, Nicaragua wood, sarsaparilla, corozo or vegetable ivory, orchil, and tobacco were the most important constituents of this commerce from the vegetable kingdom; cochineal, mother-of-pearl, shells, tortoiseshell, sheep and alpaca wool, from the animal kingdom, while copper and silver ore were the chief minerals. The British goods sent in exchange consisted of malt liquors, candles, coal, cottons, earthenware, glass, hardware, gunpowder, iron, linen, machinery, plate, jewellery, silk, soap, and woollen goods. Since 1862 the *development* of the country has been rapid, and the value of its commerce has become increased. With a settled government and a judicious tariff these regions would become prosperous. Besides the minerals already exported, there are vast unworked stores of gold, platinum, cinnabar, copper, lead, iron, and rock-salt. Grain and sugar, objects of culture introduced by Europeans, grow with a vigour in some cases greater than in their native habitat.

Central America.—There is a large trade across the isthmus, between the ports of Colon-Aspinwall and Panama. The canal connecting the Atlantic and Pacific Oceans would be a boon to most commercial nations, and especially so to Nicaragua. Engineering difficulties, and questions of expense, as well as of state rights between England and the United States, however, long kept this project in abeyance. The natural resources of the five republics constituting Central America are very considerable. Various metals abound in the mountains, whose diversities of elevation allow of the growth of plants of every zone. Central America exports sugar, coffee, cotton, soda, cochineal, and indigo; of the first-named commodity, although not introduced till the year 1811, it soon became a considerable source of American supply.

The value of the exports to the United Kingdom in 1870 was a little over £1,000,000, of which the two chief articles were coffee and indigo. The value of the British exports to that quarter was a trifle more than £360,000. (*See Supplement.*)

Mexico.—Mexico, the most important of the Spanish possessions, had well-conducted manufactures and a flourishing commerce before the revolution, but since that event continuous political convulsions much disorganised industry. Owing to bad government the country remained infested for many years with hordes of robbers, till the inhabitants quite lost all sense of security. Many rich mine-owners and manufacturers therefore removed their capital and skill to Cuba and Porto Rico. Mining was very much neglected, and every division of industry received a check. With gold and silver, copper, iron, lead, tin, antimony, and zinc, only awaiting the working in order to fill the treasury of a mighty state—with carbonate of soda and mercury at hand to facilitate the separation of the silver ore, Mexico remained nevertheless deeply in debt. Every effort of the English to improve the working of the mines was always thwarted. The

miners were compelled to work armed with revolvers, and a government convoy of foot and horse with artillery, was required to protect the gold in its transit to the coast. In the opinion of Humboldt all the plants that will grow between the poles and the equator can attain perfection in Mexico. In the disturbed state of the country, however, the produce for export experienced great reduction. When capital had disappeared the government levied high duties upon imports, and the result, as might have been foreseen, was that the country suffered a double deprivation, in a diminished home demand for imports, and necessarily of foreign demand for exports in exchange. At the beginning of the nineteenth century the maritime commerce of Mexico had reached an annual value of between seven and eight millions sterling. Fluctuations both in exports and imports have since taken place with the varying fortunes of the country, the exports being the most affected. The whole commerce with the United Kingdom in 1865, when the country gave some hope of settlement under the short-lived rule of Maximilian, was valued at about five millions sterling. In 1866 it fell to a million and a half. The exports from Mexico accounted for this difference, being over three millions in 1865, but with the return of anarchy, only about a quarter of a million in 1866. Our aggregate trade imports and exports with Mexico were scarcely more than a million in 1870. Seven-eighths in value of the exports of Mexico consisted of gold and silver; the other constituents being fustic, logwood, Nicaragua and other dye woods, indigo, mahogany and other furniture woods, hemp, jalap, sarsaparilla, vanilla, tobacco, hides, cochineal, and salt meat. Commerce was carried on in foreign bottoms belonging to the United States, England, France, Bremen, and Hamburg.

Texas became one of the United States of America in the year 1846. Prior to this date it was nominally a part of Mexico, of which republic it had, however, declared itself

independent in 1836. Texas occupies a varied surface of mountain and prairie equal to the combined area of France and the British Islands. Many colonists from the United States have settled in the country, and cotton has since been the principal product raised, forty thousand bales having been shipped for exportation in 1840, and one hundred thousand in 1865, of a quality little inferior to that of Sea Island. The country is thickly timbered, and cattle breeding and sheep raising have greatly increased, its pasturage being the finest in the world, wheat, Indian corn, and sugar being also largely produced.

Texas is believed to be rich in the useful minerals. Hides and horns are the chief contributions from the animal world towards its commerce, which at this period was only in an incipient condition, yet increased very promisingly.

CHAPTER III.

THE NETHERLANDS FROM 1790 TO 1885.

THE wars of the French Revolution form a disastrous era in Dutch history. Holland was subject to France from 1795 to 1813. At first organised as the Batavian Republic, its constitution was changed in 1806 to that of a subordinate kingdom, and in 1810 it was incorporated with France. During the whole period, the inhabitants were subjected to the most exacting levies, and their commerce was the prey of all the enemies of France. England took possession of both their commerce and their colonies. Home industries decayed for want of capital, and credit departed. Grass grew in the streets of Amsterdam, and its harbour was empty. English men-of-war blockaded the island of Texel. The East India Company lost its ships and its trade, and was dissolved, and the National Bank closed its doors. Many merchants withdrew their wealth and connections from their native land to places abroad, where they could trade in peace. Government securities sank low in value, while the prices of food and of all the necessities of life were augmented. We may justly ascribe these sufferings to the forced connection with France, as there was little that was unsound in the Dutch commercial system.

By the treaty of Amiens, in 1802, the Dutch settlements in the East and West Indies and Africa were restored, with the exception of Ceylon, which was retained by the English. The peace, short as it was, stirred up a busy trade. Dutch ships again sailed on every sea, and Amsterdam was filled with foreign goods. During the one year of peace, 3548

vessels entered the port, while 1786 anchored in the Maas. An observer of the period speaks of the development of industry as incredible, and of the resources of the republic as gigantic, and beyond expectation. Even the herring-fishery, which had drooped for many years, was partially revived; as many as one hundred and sixty-eight boats being engaged in it that year. War between Great Britain and France began again in 1803, and again Holland had to pay the penalty of alliance with her powerful neighbour. Dutch merchantmen in the English harbours were seized, and the Indian cargoes from the east and west reached European waters only to be captured. The bright hopes of returning prosperity were destroyed. Holland was left with a trivial commerce, carried on in neutral bottoms, which, while it brought the Dutch only small and secondary profits, laid open their foreign trade to the knowledge of neutral shipowners. Napoleon put an end to even this relic of commerce by his Berlin and Milan decrees (1806 and 1807).

Independence was restored to Holland in 1814, under a Prince of the House of Orange. By the Treaty of Vienna, the Belgic provinces were united with the Batavian into a single kingdom, and once more the Dutch regained the best of their eastern colonies. England, however, kept possession of Cape Colony, Berbice, Essequibo, and Demerara; but as a compensation, paid the cost of a line of fortifications, which defined the boundaries of the North and South Netherlands.

Unfortunately, the interests of the two divisions of the new kingdom were found to be antagonistic. Manufactures formed the basis of Belgian wealth, while Holland trusted mainly to commerce. Dutch commerce was essentially free and unrestricted: Belgian manufacturers favoured the principle of protection. Compromises were tried, which carried out neither principle completely, and consequently satisfied neither interest. On the occurrence of temporary

depression in the trade of Belgium, a new tariff was devised imposing heavy duties upon foreign manufactures. This measure was of doubtful advantage to Belgium, but it materially lessened the profits of the Dutch. The Flemish Provinces had benefited by union with France, for, as a part of the Empire, their manufactures had been fostered by the government, and had been allowed to enter France free of duty. Now this community of interest was destroyed. France, the great customer for Flemish products, was again a foreign power with distinct interests of her own, and with a disposition to protect her own manufactures. Union with Holland was not, therefore, satisfactory to Belgium, nor indeed had the wishes of the Belgian Provinces been much considered in the alliance. Holland, nevertheless, endeavoured to conciliate her new subjects. The King set the example of investing liberal sums in Flemish industries, encouraging his Dutch subjects to do the same. Capital flowed into Belgium, and various manufactures were greatly developed. A market for cottons, linens, woollens, coal, iron, metals, and leather was found in Holland, and the increased demands made by the colonists for European manufactures gave a further impetus to the Flemish looms and mines. Commerce again flourished at Antwerp, and Ostend became a busy seaport. By the year 1824 every division of labour had obtained prosperity, and separation from France was in a commercial sense more than counterbalanced.

Holland in comparison throve less rapidly. Commercial relations abroad had been severed for so many years that they were difficult to renew, many having been permanently transferred to England, especially those with the Indies. Customers for Indian commodities were never wanting, but the profitable cinnamon trade of Ceylon was lost, and the produce of coffee, sugar, and spices was also, for some time, very small. By the loss of her marine, Holland was no longer the great carrier of Europe, and many of the

states of Europe, even Russia and Spain, were now employing their own ships. The growing importance of Ostend and Antwerp retarded the progress of Amsterdam and Rotterdam. Hamburg and Bremen, too, had acquired a large share of the commerce lost by the Dutch. After all the Dutch had suffered, there still remained rich men in the kingdom, who readily embarked their capital in any enterprise which promised profit. Traffic with various parts of Germany sprang up, and new openings for trade were sought elsewhere. In the year 1824 the Dutch Commercial Association (*Nederlandsche Handels Maatschappij*) was founded for the restoration of commerce, navigation, and manufactures. Its statutes were revised in 1827, when its capital was reduced from thirty-seven to twenty-four million guilders. This corporation was under the management of five directors and twenty-seven commissaries or inspectors. Its chief success was in the market it made in India for Flemish manufactures, but it struggled at a disadvantage against the competition of the English. In the tea trade with China it met with large losses, and its early success was considerably checked; but by the year 1830 it had made its beneficial influence felt both in home industry and colonial trade. In this year calicoes to the value of £555,000, and other home manufactures in proportion, were purchased by the Association for export to India.

The union between the North and South Netherlands lasted only fifteen years. The latter revolted in 1830, and became an independent kingdom, under the title of Belgium, a name derived from that of the ancient inhabitants of Flanders and Northern Gaul. For convenience, the designation of Belgium has been used previously, but it properly dates only from this period. The Dutch had yielded much to their neighbours, even to the sacrifice of their old commercial principles of freedom. Belgium had profited by the union more than Holland, but discordant elements, both commercial and religious, were always

at work, and they jarred the more with every compromise.

To William I., the King of Holland, is chiefly due the prosperity attained by the Netherlands while they were united. By personal efforts and by legislation he raised the fallen industry of his people. His accurate knowledge of the nature and laws of wealth enabled him to foresee results, so that his policy enriched his subjects, and left them a productive inheritance. He furnished directly or indirectly the capital which gave new hopes to Flemish manufacturers, constructed new canals to facilitate communication, and guaranteed the interest of the Commercial Association without which that body would have succumbed under its early difficulties. He did these things at a time when the Indian colonies were a burden rather than a profit. His Indian policy is worthy of all praise, for by the introduction of a system of plantation-culture, he gave rise to that abundance of colonial produce which has since formed a large item in Dutch commerce. In pursuit of this object he expended large sums annually from his own income, without any reward beyond the confidence that the next generation would reap the benefit.

HOLLAND AFTER THE SEPARATION.

The commercial history of Holland since 1830 bears chiefly upon colonial policy, and the system of plantation-culture which has made Java a most important possession. Previously to 1830, the native chiefs had exclusive rights of cultivation. They sold the produce to the Dutch, who merely acted as factors for the European markets. Exchange between the planters and the merchants was effected for the most part by native middlemen who obtained a considerable part of the profits. The arrangement was complicated, and added so much to the cost of production that

neither Java nor Holland reaped the full advantages of the trade. Java, like many other of the Indian possessions of Holland, was deeply in debt; and at the same time it was difficult to incite the Javanese to improve their cultivation or to teach them the principles and use of the Dutch implements of husbandry. Governor Van den Bosch assumed a more active share than had been customary in the administration of this fertile island. He conciliated the inhabitants by securing their rights to the produce of their lands, and by lessening the levies made upon them by their own chiefs. He required in return that one-fifth part of the soil should be devoted to the growth of commercial commodities, and that the yield should be increased by improved methods of cultivation. He originated an industrial organisation of the villages, whereby a certain number of the natives were set apart to cultivate the government lands, while another portion attended to the transit of the produce to the shipping ports. This produce contributed the main revenue of the colonial administration, and was accepted in lieu of the former imposts of land, rent and taxes. In 1831 he planted fifty million additional coffee-trees. Sugar and indigo, the cultivation of which, especially of the former, required large capital, were also fostered. European and Chinese capitalists readily invested their money in these enterprises, and their confidence in the governor was well placed, as may be seen by the results of the first ten years:—

EXPORTS FROM JAVA.

1829. Coffee,	375 cwts.	1839. 1,000,000 cwts.	1869. 1,102,953 cwts.
„ Sugar,	98,500 „	„ 1,000,000 „	„ 3,299,000 „
„ Indigo,	46,369 lbs.	„ 850,000 lbs.	„ 577,163 lbs.

Van den Bosch employed the natives as overseers of the plantations, the Dutch as instructors only. Thus while conferring a benefit upon the Javanese, whose services he was utilising, he made it their interest to improve in skill and industry, and to increase the resources of the island.

His care to avoid wounding their honour, or rousing their jealousy, was as admirable as it was judicious, when we consider that the Dutch numbered only twenty thousand to about twelve millions of natives.

The policy inaugurated by Van den Bosch was pursued by successive administrators. Many Chinese traders visited the ports of Batavia and Samarang, with the raw produce and coarse manufactures of their country, in order to obtain the pepper, betel-nut, beeswax, edible birds' nests (built by a kind of swallow, *Hirundo esculenta*), sharks' fins, rhinoceros and buffalo horns, and hides, of Java. The presence of the Chinese led to the cultivation of the tea-plant, which succeeded, and very soon furnished large consignments to Holland. This introduction of tea into Java is an example of the extension of a growth which had been long entirely local. Owing to similar extensions, Ceylon lost its exclusive possession of the cinnamon, and the Moluccas that of cloves and nutmegs. Success followed also the introduction into Java of cinchona or Peruvian bark, from which the valuable drug quinine is extracted. The rearing of silk-worms resulted in a large produce of silk, and cochineal for dyeing became a regular export, but was soon abandoned by government as unprofitable. Java produced likewise tobacco, rice, and pepper, arrack or rice-spirit, and the minor products of ginger, cardamoms, cubebs, turmeric, caoutchouc, cajeput oil, rattans, and teak timber, all of these commodities of much value and importance to Holland and to Europe generally. Batavia was also an emporium where the produce of other East India islands was warehoused before trans-shipment to Europe. Java was no mean rival to Brazil in supplying the European markets with sugar and coffee. The indigo and silk went chiefly to the German manufactories. Javanese exports show a remarkable increase during the period under review. In 1831 the total exports were valued at 14,500,000 guilders; in 1836, at 41,000,000;

and in 1869, at more than 76,000,000. The English imports, which were small compared with the Dutch, equalled, in 1866, the total exports from Java in 1831; and the Dutch imports in 1851 equalled in value the whole of the Javanese exports in 1836. Trade would have shown even greater results, had it not been hampered by jealous restrictions, which were in contrast to the general freedom of Dutch trade. The direct trade of the United Kingdom with Java was only about £1,000,000 annually. This branch of Eastern trade imparted vigour to every department of Dutch industry. Rotterdam and Amsterdam soon took the lead of Bremen and Hamburg, and Dutch ships could scarcely be built fast enough to keep pace with the increase of commerce. Such activity had not been known in the Dutch dockyards and harbours for many years. Holland again became the emporium of European produce for export to the East, and the wealth thus accumulating spread over the country. The dairy farms and luxuriant pastures felt its influences, and blessed the land with abundance. Belgium had shut herself out from these advantages, although some portion of her manufactures went to Holland, such as cloth, linen, and leather. Factories were built in Holland for cotton-spinning and weaving. These manufactures, however, have never really thriven, and have been influenced adversely by every depression in trade, and been slow to recover.

If we picture the previous condition of Holland, the vastness of this social change may be better appreciated. Large sums had been spent in the conflict with Belgium. Money grew scarce, and the rate of interest rose high. All the necessaries of life were abnormally dear. Tradesmen and manufacturers were impoverished, and the labouring classes, with wages nominally higher than in the nations around, obtained fewer necessaries for them. The war imposed new burdens on the country, already overburdened with heavy taxes. The amount of the national debt was for a long while kept secret. When it was made known the

Dutch were appalled at its magnitude, and saw no possibility of keeping faith with the public creditor. In 1844, a patriotic loan of 127,000,000 guilders at 3 per cent. saved the credit of the nation, just at the moment when there appeared no alternative but to suspend payment of the interest of the debt.

This was the state of affairs when Van den Bosch increased so greatly the profits of the East Indian trade, the growth of which dispelled financial fears, relieved the mother country of contributions for the support of Java, produced a surplus revenue that cancelled the colonial debt, and also assisted the home finances. It further provided 100,000,000 guilders for the construction of a complete system of railways, a mode of communication with which Belgium and other states were already provided. Under these happy auguries the national debt, since 1850, very sensibly diminished. Although the Javanese ports were opened to the ships of all nations, the tariff and port dues were made to favour the Dutch. The Netherlands Trading Association ruled the markets, and *chartered* their competitors' ships in order to keep the fleet exclusively Dutch. It therefore became profitable in Holland to build ships for the purpose of letting them out for hire, especially as only Dutch-built vessels were allowed in the fleet. The Dutch mercantile marine soon increased in number and tonnage, commensurately with the growth of this splendid trade. No industrial efforts could furnish home manufactures enough to supply the demand of Java for European goods. The Netherlands Trading Company, therefore, collected in the ports of Holland fabrics from foreign sources for transmission to Java, and protected their intercourse with the island by differential duties in favour of goods brought in Dutch ships, which would otherwise soon be driven from the field. The value of the export trade to Java may be estimated by the percentage it bore to the whole commerce of Holland. Of cotton goods 97 per cent. were sent to the Indies; of linen

62 per cent., while in value the Dutch supplied the Javanese with 9,000,000 florins' worth of cotton fabrics as against 12,000,000 by other commercial nations. In the collection of revenue the Dutch rulers had not unfrequently been grasping, and therefore unpopular. Native risings had been frequent, and costly forces, therefore, required to keep the island in subjection. Plantation culture, too, was not continued with the justness contemplated by its originator. Regents, as the native superintendents are called, often proved tyrants, and collusion between them and the "Residents" (or Europeans, whose duty it is to advise), resulted in the frequent oppression of the natives without the knowledge of the Governor-General. In fact, the system of compulsory labour needed, according to Dutch ideas, in a semi-barbarous country, was but a modified form of slavery, which even if merely provisional, could not prevent inherent tendencies to abuse. The Netherlands Company soon became a rich corporation, through its monopoly. How exclusively its privileges were maintained may be judged from the fact that while Java received from the United Kingdom, in 1866, goods to the amount of £1,730,997, the canes, caoutchouc, hides, pepper, rice, and sugar sent in exchange only reached the sum of £8152.

There were two parties in Holland holding opposite views regarding the policy to be pursued in the government of Java. "Dutch *free-traders* wish to abolish forced labour in the colony. They demand that more harbours shall be thrown open to trade, and that the system of differential duties, through which the Dutch commerce is favoured at the expense of foreign traders, shall cease; and that colonial, shall be as unrestricted as home, commerce. They finally desire that the company shall be deprived of its monopoly of Javanese produce. Dutch *protectionists* at home would gladly put an end to forced labour and the oppressive power of the Regents; but to invite foreign merchants into the Javanese ports appears to them an unwarranted

extension of duty to one's neighbours." It would be loving them better than ourselves, they say, for we should lose our trade, and ruin both the colony and the mother country for the benefit of foreigners. "Great success has resulted from the present system of exclusiveness, and the natural repugnance to change from a certainty to an uncertainty is difficult to overcome by any amount of reason and argument. The Dutch nevertheless are considered to be shrewd, impassive bargainers, and there seems no reason why they should be beaten in their ports abroad. They do not suffer in their ports at home, for they have already gained advantages over other nations better favoured by nature, and acquitted themselves well in free competition."

The Dutch settlements in America (Surinam, &c.) had decayed from their former importance. Self-government was granted to them, and the emancipation of slaves carried through; but those colonies were unprofitable and expensive possessions for the mother country. The Dutch possessions on the coast of Guinea were a burden for Holland, yet an association for commerce on the western coast of Africa thrived. About this time the authority of the Dutch over several stations on the West Coast was transferred to Great Britain, not, however, without some vehement opposition in the legislatures of both countries.

The decimal system of weights and measures introduced by the French was continued after 1814, and in 1870 the use of the systematic denominations became imperative.

In 1844 the old Dutch coinage was withdrawn from circulation, and a simpler system introduced with a silver standard.

Holland, who, in order to appease Belgium, had given up her ancient free-trade principles without strengthening the bond between the two countries, was at liberty after 1830 to revert to her former policy. The revenues derived from Java diverted attention for a time from the amend-

ment of domestic commerce ; but revisions of the tariff took place in 1845, in 1850, and 1854. Each of these revisions was more liberal than the preceding. Tonnage dues were lowered, and the tolls and navigation dues upon the Yssel and Rhine were repealed. Every nation ready to act on similar principles was placed on a footing of equality with the Dutch themselves. The ruin which, according to some, threatened Dutch prosperity, has not yet arrived. Holland survived the monetary crisis of 1866, when confidence was lost throughout Europe, and the interest of money was 8 per cent. in Amsterdam ; when shipbuilding was brought to a standstill, and colonial trade collapsed ; when war was raging in Germany, and the scourges of cholera and cattle plague were afflicting man and beast. Holland emerged from these calamities with credit unimpaired, and without the heavy losses which befel England.

Except for this brief period, the progress of the Dutch as a separate nation had been continuous, and their commerce extended to its former world-wide dimensions. Husbandry, handicraft, and commerce reacted upon each other, and were all flourishing. "The depth of the alluvial soil and the excellence of the system of tillage render Dutch farms extremely productive. Butter and cheese are the chief products of husbandry. Cereals (especially oats) with pulse, potatoes, and madder are largely grown. Prodigious quantities of dairy produce, and also cattle in great numbers, are sent to England and elsewhere." Every variety of raw material from foreign and colonial sources, with wrought fabrics and metal works, chiefly from England, filled the warehouses of Amsterdam. Much of this was for exportation, as, for example, sugar, which in 1866, apart from that entered for home consumption, was reshipped to the extent of over eighty-two millions of pounds. The aggregate burden of the vessels required to carry on the import trade of Amsterdam exceeded four hundred thousand tons in the year 1866, and about the same tonnage was needed for the

exports. Dutch steamers were employed in the trade with all foreign states, except that with Great Britain, which was carried on almost exclusively by British vessels. Manufacturers were in various instances able to compete with those of the most favoured countries.

“Dutch rope and sail-cloth are highly esteemed, and employ many of the inhabitants of the provinces of both North and South Holland. Schiedam is computed to use one hundred and fifty thousand quarters of grain yearly in its great distilleries. Manufactures of paper, sugar, and tobacco, the last chiefly for Germany and Switzerland, constitute a very important item of wealth. Nevertheless Holland ranks higher in its commerce and agriculture than it does in its manufactures, many of which are specially protected for the trade to the East Indies.”

Industry is the good genius of Holland. “There are few criminals and no beggars,” is the general observation of travellers. With fewer advantages, the Dutch, from the earliest periods of history, have done more than any other nation for the development of every division of labour, the civilising interchange that flows therefrom, and the spread of the true principles upon which human prosperity is founded. “Nowhere is long-established political and religious freedom more highly prized, popular education more nearly universal, regard for law and order more profound, the rewards of industry more widely shared, the necessities of life more abundantly secured, and the blessings of civilisation more equally diffused than among the self-reliant children of Europe’s Netherlands.” *

* “Industrial History of the Dutch.” By W. Torrens M’Cullagh.

BELGIUM.

The severance of the two Netherlands in 1830 was sought by Belgium, against the will of Holland. The union had been brought about by the great powers, without sufficient regard to the little community of sentiment which existed between the Dutch and the Flemings. Free trade was from the first an instinctive principle with the Dutch. The Belgians craved protection for their native wares. To widen the difference, the Dutch were chiefly Protestants, while the Belgians were Roman Catholics. Politically, there were strong reasons for Belgium to desire union; but sentiment overpowered the sense of material advantage. Short as was the war of the Revolution, Belgium suffered severely and long from its effects. Antwerp was bombarded, and property destroyed to the value of 8,000,000 guilders. The Dutch struck a severe blow at the trade of Belgium by closing the mouths of the Scheldt and the Maas, the two principal rivers of the seceded provinces, but whose estuaries were in Holland. This especially injured Antwerp, whose progress during the union had been so rapid as to threaten to outstrip Rotterdam and even Amsterdam. Antwerp was thus, until the peace in 1839, cut off from all direct river communication with the sea, but has since shared in the steady improvement which has marked the kingdom of Belgium since its establishment. Dissevered from Holland, the new kingdom strangely took for its device "*L'Union fait la Force.*" Secession from Holland brought also in its train the loss of commercial intercourse with the colonies which were exclusively Dutch, and to which Belgium had once exported vast quantities of wrought cottons and other goods. Many of the shippers assumed the Dutch flag for the sake of this trade, and a number of manufacturers of Ghent, the great seat of cotton industry, transferred their capital to Holland. The resentment of the Dutch for many

years interposed an additional barrier to friendly dealings. The capital invested in Belgian enterprise was withdrawn, and much of the trade between the two countries entirely ceased. Such was the case with coal, which the Dutch formerly obtained from Belgium, but now received from Germany. Belgium had also to assume a considerable portion of the Dutch debt, amounting to 83,000,000 guilders, and an annual contribution of 400,000 guilders. Thrown on its own resources, the little kingdom did not despond. It possessed many countervailing advantages. It had the densest population in Europe, so closely packed that Philip II. once exclaimed of the country, "This is but one great town." Its roads and canals were admirable and numerous, and rendered carriage everywhere easy. To these means of communication was added a well-devised railway system, carried out with skill and economy, under the control of the government, at a time when England was wasting enormous sums over railway schemes devised on no regular plan. The people were happy in their king and government, for although there could be little national feeling amongst races that differed in their origin and language, and had been governed by foreign powers for several hundred years, yet the new constitution was well administered, and the reigning prince devoted himself to the prosperity of his adopted kingdom. The sentiment of loyalty implanted by the king has taken root, and the people remain as proud of being Belgians as once of being inhabitants of Bruges and Ghent. To meet the deficiency of capital, the government instituted a society (*Société Générale de Commerce*), with powers to make advances for carrying out industrial objects; they also founded a national bank. By these means new undertakings and manufactures, some of an extensive nature, were encouraged and sustained. A series of reverses occurred in the years 1837 and 1838. Numerous mercantile failures took place, a brief panic ensued, and the Belgian Bank suspended payment. The

resources of Belgium were happily too sound and certain for the national prosperity to be permanently injured. The crisis stimulated the people to seek new routes for trade. Commercial intercourse with France was gradually resumed, and in the course of a few years this trade was nearly equivalent to all the rest of the foreign traffic of the country.

Commercial intercourse arose with Austria, the shipments being chiefly cloth to the port of Trieste, for further consignment. Belgian vessels visited the distant empire of Brazil, and the English settlement of Singapore; but very little profit appears to have resulted from these ventures, as a commercial treaty with Brazil was not considered worth renewing in 1841, and the intercourse with Singapore also fell off.

Time soothed the ill-feeling between Belgium and Holland, and a renewal of commercial intercourse benefited both kingdoms. Cloth, coal, iron, metals, glass, and furniture, were taken by the Dutch; the Scheldt was again opened to vessels of Antwerp; and a treaty of commerce was concluded between the two kingdoms, whose relations continued to be altogether amicable.

In husbandry and its connected manufactures, the cultivation of flax and the making of linen ranked first in importance. To increase the growth of the fibre and to seek the most improved modes of its manufacture, were objects of solicitude with the government. Extensive mills with the newest inventions in machinery for spinning flax, were erected as early as 1834, and the industry expanded every year, till 40,000,000 lbs. of the fibre, of the value of 25,000,000 florins, were soon produced annually. Three-fourths of this quantity kept the national spinning mills and looms in activity, while 10,000,000 lbs. supplied the foreign demand for yarn.

Brussels, the industrial as well as political capital of Belgium, produced a variety of fabrics, of which its lace and tulle were unsurpassed. Lace-making in particular has for

many generations been a costly and beautiful art, to which the taste for luxury in dress, prevailing throughout Europe, and created by the rapid accumulation of wealth, gave an extraordinary impetus. Wool and woollens formed another important industry in Belgium. Fine cloths used to be amongst the most eagerly sought-for products of Flemish skill. The long period of Spanish oppression reduced this manufacture to its lowest point, but with freedom it again rose to be second only to that of linen. Neighbouring countries had, however, in the meanwhile so improved their woollen cloths, that Belgium found it difficult to resume its former place in the markets of the world. A large quantity of cloths were sent, notwithstanding, to France, and also to the United States. Cotton manufactures, in consequence of the fibre being imported from England, advanced slowly at first, but soon they became of even more importance than the flax and woollen industries. Metal working was the next great manufacturing industry of Belgium. This was facilitated by the great stores of coal, which, excepting those of England, are the most abundant in Europe. On account of the almost vertical tilt of the strata, the coal is obtained from a continually greater depth, and not laterally, as in English mines. The mineral resources of Belgium appear to be without limit, and the skill exercised was such that some of the English iron trade went over thither, and England herself has been supplied with locomotives from Liège, a town sometimes called, from its iron works, the continental Birmingham.

Belgium also made unavailing efforts to plant colonial settlements. The reigning king, when Duke of Brabant, showed great interest in such designs, and continued to favour them. Even without colonies the kingdom held commercial relations with every country in the world. Its chief trade was with France. In 1865 this had risen to the value of nearly £18,000,000, imports and exports combined, or between thirty and forty per cent. more than it was in

1861. With Great Britain, in 1866, the value of the commerce, including transit, was about £14,000,000, a steady increase over preceding years. The Belgian trade with Holland, Russia, Germany, and the two Americas was likewise very extensive, and showed signs of increasing steadily. Belgium exported to France cattle, coal, linen, and woollen fabrics, and received in return cereals, wines, flax, silks, and wool. The chief imports from England were cotton and yarns, besides many miscellaneous articles. Amongst the exports to England were those contained in the following table:—

In 1870 Belgium supplied—

Cattle, sheep, and swine	146,000	head.
Meat, and poultry, and game . . .	3,092	tons.
Eggs	15,000,000	
Fruit	11,470	tons.

The provision trade declined during this time, although the *general* trade of Belgium with England largely increased. The value of exports to England in 1870 was £11,247,864, and of imports of British produce and manufactures £4,481,079.

In July, 1863, an agreement was made between Belgium and the chief maritime powers of Europe, by which the Scheldt dues were abolished, on compensation being made by the consenting powers. England paid £175,650 as her share of this compensation. The Scheldt was declared free on the 3rd of August in that year. By this measure a great impulse was given to the trade of Antwerp, the value of which increased in each succeeding year, especially in the article of wool. Antwerp received great benefit from the railway system of Belgium, which connected it with the chief manufacturing districts, and gave it almost a monopoly of the trade of West Germany, until the lines were completed to the ports of Rotterdam, Bremen, Hamburg, and Havre. Nearly one half of the tonnage of the port of

Antwerp was British. The business of the seaport of Ostend could not be compared with that of Antwerp ; but it had considerable manufactures of lace, worsted, cotton stuffs, and leather, and was the centre of the Belgian fisheries, especially the summer fishery for cod on the Great Dogger Bank, in the North Sea.

Belgium abounded in busy seats of industry, and in her political institutions and material prosperity so closely resembles England, that the intercourse between the two nations continued of the most intimate and friendly character.

CHAPTER IV.

SWITZERLAND FROM 1790-1885.

SWITZERLAND is one of the most recent aspirants to a place amongst commercial nations. Before the French Revolution its industrial progress had been steady, without reaching any great magnitude. Various towns were the scenes of distinctive industries as far back as the Middle Ages. Geneva had been famed for clocks and watches from the time when the use of such instruments began to be common. Basle possessed silk manufactures in the sixteenth century. St. Gallen made linen, its staple manufacture, during the eighteenth century. In Zurich the staple was cotton. Manufactures had been necessitated by the same conditions that made the pastoral division of agriculture the main reliance of the Swiss. When their patches of land had received the needful attention they took to spinning and weaving, the primitive industries, and those most closely allied to husbandry. Switzerland, in conjunction with England, Holland, and Brandenburg, afforded a refuge to the French Huguenots in 1685. Emigrants continued to arrive up to the outbreak of the French Revolution in 1789, for persecution in France virtually lasted as long as the old régime. These pious and skilful operatives improved the native industries, introduced others, and gave importance to the economic history of Switzerland. Manufactures were quickly developed, and Swiss fabrics found a way into all the European states. Weaving of silk ribbons, plain and figured, an industry of French birth, soon began to take precedence among Swiss handicrafts. Calico-

printing was carried on with great success at St. Gallen, and had a special run of prosperity from 1756 to 1763. The kindred art of dyeing soon reached such perfection that nowhere were more brilliant colours produced, and Switzerland, which at one time sent its textures to France to be dyed, now received undyed silks and other tissues from that country. In obtaining raw produce, whether for the loom or the forge, free trade was of great consequence to Switzerland, inasmuch as foreign competitors ran Swiss goods very close in the European markets. Switzerland was long encircled by States whose policy was to impose heavy customs. In the face of such obstructions, the Swiss carried on intercourse with Europe through the ports of Trieste and Genoa, and by every route where the restrictions were the least rigid. This small and busy state reflected the policy of Europe as sensitively as a barometer indicates the state of the atmosphere. A rude shock was given to Swiss prosperity by the French Revolution. For the first three years of the nineteenth century the frugal mountaineers struggled hard for their independence against the immense power of France. Napoleon's policy pressed heavily upon them; English intercourse, which had been their main reliance for supplies of raw material, and for the disposal of manufactured goods, was interrupted, but the loss was in some measure compensated for by the transit trade attracted by the excellent roads, as well as by the central position of the country. From 1807 to 1813 the Swiss encouraged contraband trade in English wares which came over their mountain paths by way of Austria, and passed the opposite frontiers into the French and German states. After the battle of Leipzig, in 1813, the Swiss allowed the allies to pass through on their route to France. In retaliation, the emperor put upon their trade an embargo so stringent, that in 1814 not even cheese and coffee were allowed to cross the boundaries.

The peace in 1815 did not bring immediate prosperity.

In order to raise revenues and to protect native industry, the states of Europe imposed heavy duties upon foreign productions, and especially upon those corresponding with home manufactures. Under this system it was generally believed that native industry would rapidly recover from the devastation of war, but to Switzerland every market was soon closed. The social habits and character of the Swiss came to their aid. The vocations of the craftsman and grazier being often combined, when one source of livelihood failed the other was available. Their manners and customs being simple and frugal, they were able to live upon less and to produce at a cheaper rate than other handicraftsmen. Another resource was open. It had long been the practice of the Swiss to travel, and for a time to settle in other lands, either as soldiers or artisans. The straitened circumstances of the country during the earlier years of peace caused more than an average number of young men to leave their native land. Their residence abroad kept the communication open between Switzerland and its former customers, and oftentimes they were, by others, entrusted with capital which set them up in business and eventually enabled them to return home with considerable gains.

As the spirit of freedom gradually imbued economic legislation, so Swiss industry revived. Wherever trade was free, or tending to freedom, Swiss goods made their way. A kindred feeling with Holland promoted an intercourse between the two countries, which was of especial value to Switzerland, and which made it worth while for Swiss traders to pay the heavy customs dues levied by the intervening states. Steam-power was introduced, and factories of unusual dimensions were erected.

Commerce reached its greatest extent in this more recent period of Swiss history, English free-trade having created a large demand for Swiss goods. Their value cannot be correctly ascertained, inasmuch as they were

consigned through France and Germany, and thus figured amongst the exports of those countries. Activity was also given to trade by the liberal provisions of the French and other commercial treaties. Thirty per cent. of the ribbons exported as French were said to come from the canton of Basle. The largest ribbon factory in the world existed in the town of Basle, and the canton furnished half the silk goods of the republic; France taking 10 per cent. of the whole of the silk produce, Germany 38 per cent., the United Kingdom and North America 44 per cent.

Many cotton fabrics were produced at Zurich. The energy, skill, and thrift of the Swiss manufacturers enabled them to maintain their prosperity in spite of the competing communities of France, Great Britain, and Germany, by the side of whose giant industries those of this small republic shrank into comparative insignificance. Geneva and Neufchatel remained noted for their trade in jewellery and watches. The extent of the latter branch may be seen from the fact that between 1850 and 1861 Geneva exported seven hundred and twenty thousand watches, for the most part gold; and this was but a fifth part of the number of watches, chiefly silver, made in the canton of Neufchatel. Agents for the sale of these watches were established in every European town, in Turkey, Egypt, India, and North and South America. Geneva watches, properly so called, were superior to those of Neufchatel in workmanship as well as material; hence they commanded a higher value, and were more sought for, many passing for French watches, and such was their excellence that they forced their way into France and England, despite all restrictions. Swiss clocks have also been extensively exported of late years. An incidental source of trade also sprang up from the numerous tourists and temporary foreign residents in Switzerland. The transit trade between Germany, Italy, Austria, and France increased in proportion as its expense, from the ruggedness of the country, was diminished by the use

of railways. Basle, Soleure, Geneva, Zurich, Lucerne, Schaffhausen, St. Gallen, Lugano, were the towns most enriched by this traffic at this period of the century.

The exports of Switzerland comprised silks, cotton, lace in various conditions of manufacture; watches, jewellery, straw-plait, iron-work, skins and hides, cattle, cheese, wine and liqueurs;—the imports embraced grain and raw stuffs from Italy, raw silk from Austria and Hungary, wool from Hungary, wheat from South Germany, with cotton, hemp, and flax; rice, sugar, coffee, leather, drugs, dyes, and other produce from the Dutch and British colonies; metals and hardware; salt, nitre, and timber; soap, oil, spirits, wine, beer, and tobacco.

CHAPTER V.

ITALY FROM 1790-1885.

MODERN DECADENCE AND RECENT REVIVAL.

THE Italian cities, when they lost the Indian trade, possessed such an accumulation of capital that their importance, as commercial centres, changed in character and direction, but could not readily die out. Municipal decay in Italy was not complete till the eighteenth century, from which date, with the exception of raw silk and olive oil, the exports of the country became few and of little value. In the previous centuries works of art, silk stuffs, glass wares, and paper were important industries, and the large reserves of money found profitable employment in banking and exchanges. The revival of Italian unity has been favourable to commerce. In spite of violent political commotions, interchange with the United Kingdom continued steadily to increase. The value of the imports from England, consisting of apparel, textile fabrics, metals, hardware, machinery, and colonial produce, and the Italian exports to England, consisting chiefly of raw produce in endless variety, might be roughly taken as about £9,000,000 sterling.

The trade with France, if not exceeding, was equal to that with Great Britain, and next in order stood Austria and Switzerland. The principal home industry consisted of the production of raw silk, of which one-fifth was exported, France taking one-half of this quantity, and the rest finding its way to Switzerland and the Rhine Provinces, England, Russia, Portugal, Spain, and Holland. Italy remained behindhand in the art of weaving and dyeing, though un-

excelled in producing and throwing raw silk. Much attention was given later in Italy to cotton cultivation and the wine manufacture. Sardinia and the Sardinian States, Tuscany, Naples, Sicily, the Adriatic port of Ancona, the Romagna and Venetia, all traded more or less with the United Kingdom. Each of these provinces had its special exports, yet in the main the produce was similar. The chief ports were Genoa, Leghorn, Naples, Messina, and Palermo; and Milan, though not a port, was a centre of trade and manufactures. *Genoa*, while forming a part of the kingdom of Sardinia, shared in the profitable intercourse established with France. "Since the consolidation of Italy, the wealth of Genoa has been still further promoted. The exports are raw materials, including olive-oil, rice, hemp, metals, and ores; and manufactured products, including vermicelli, cottons, iron goods, and ships. Genoa velvets and silks are prized everywhere. This city has attained a prosperity almost equalling what it enjoyed in the Middle Ages.* Genoa, with the rest of Italy, was injured at the period of the Revolution by the aggressions of the French. Her mercantile marine and an efficient navy were swept from the sea, and her trade destroyed by the English—the costly honour of annexation to France being her only compensation. When peace was restored the citizens again engaged in active enterprise. The port became the inlet for French cotton, wool, silk stuffs, and general produce into northern Italy. Sardinian commerce centred in the city, which ranked only next to Leghorn as an Italian port, and it was, besides, the channel of the Swiss foreign trade. An interchange of commodities takes place between Genoa and insular Sardinia, metals, woven-stuffs, wood, fish, and paper

* During the war the British Consul reported that no failure of any importance had taken place in May, June, and July 1866; and when Italian securities were low, about £12,000,000 nominal capital, or £5,000,000 cash, had been invested in rentes by the Genoese merchants.

being sent to the island in return for corals, olive-oil, grain, hides, wine, and salt." (Second edition.)

Genoa held commercial relations with France, Belgium, Great Britain, and Austria, and a home trade with Italy. A tendency prevailed to favour French and Belgian in preference to British merchants. An active trade was carried on with the Russian ports of the Euxine, for wool and grain, and with the Levant. The city built bonded warehouses, wherein goods were retained for re-export, and in this way many of the constituents of commerce appear in official lists both as exports and imports. In 1835, the trade was valued at £8,250,000; in 1862, when somewhat inflated by the American civil war, it exceeded £16,000,000; in 1867 it was about £14,000,000, more than one-fourth of which was with the United Kingdom.

Venice, from being the "Safeguard of the West," sank into insignificance. Her fortunes became dependent upon the will of other nations, and her history until recent years has been but the record of revolutions, mercilessly suppressed. In 1815, Venice fell by treaty to Austria. At that time this city was in a miserable condition, impoverished by war, and with half its inhabitants paupers. Her submission to Austria was ever sullen. Subjection to a conqueror rankled in the proud Italian mind, and Austria could not conciliate her Venetian subjects, even when sincere in her attempts to restore the trade of the "City of Song." Trieste had arisen in the neighbourhood as a rival port, and its trade was already three times that of Venice. Trieste took possession of the Odessa grain trade, once conducted by the Venetians, and that of the Levant was mainly assumed by France and England. With all these drawbacks the mercantile spirit of Venice was not quite dead. Whenever circumstances were favourable, signs of activity appeared, promise of growth was given. Her most valuable commerce was with the rest of Italy. A smaller trade was carried on with France, and some intercourse was main-

tained even with Norway and Sweden. Olive-oil, fish, wine, and colonial produce were received in Venice in exchange for her diminished but still excellent manufactures of glass, porcelain, mosaic, enamels, and leather.

A new era opened for Venice in its incorporation with the Italian Kingdom, effected in 1866. It then remained a question whether commerce, so long diverted from the lagoons of the Adriatic, could be restored.

The union of Venice with Italy created a traffic between that city and the United Kingdom, which was at first of small proportions, but could hardly be said to have existed *at all* before the war. In 1865 and 1866 we sent to Venice coal, coke, coffee, cocoa, cotton, linen, woollens, oils, metals, hardware, earthenware, and nitre, in exchange for hemp (valued at £346,806 in 1866), cereals, seeds, beads, wood, rags, wool, sumach, and whisks. The trade with England was but a fifth of that with Austria, and Holland followed England. The inland and river traffic of Venice, aided by the recent construction of railways, showed great promise of profit. Many branches of ancient industry and art also gave signs of revival, among which, the manufacture of stained and coloured glass and glass-ware deserves special notice. The official declared value of the trade of Venice in 1867 was a little over one hundred and twelve millions of Italian livres.

Leghorn (Italian name Livorno) was a commercial port of European importance. Grain from the countries around the Black Sea, English cottons, hardware, and salt fish, Brazilian sugar, coffee, and tropical produce, constituted its imports; while its exports were oil, silks, fruits, lamb and kid skins, potash, timber, cork, marble and alabaster, Elba iron, borax, alum, sulphur, anchovies, coral, straw-plait, hemp, and dyes. Much of the former trade of Leghorn had been lost, as many commercial states now carried on a direct trade with the Levant. The convenience, nevertheless, of Leghorn for the Levant trade, combined with low

tariff and port dues, and facilities for unloading without quarantine, then gave her the precedence of Genoa, and made her the emporium for the supply of foreign productions to Northern and Central Italy.

States of the Church.—Prior to 1860 the greater part of these States, now forming an integral portion of the Kingdom of Italy, possessed no claim to notice for their trade and industry. The converse of the principle *Laborare est orare*, actuated the inhabitants. Beggars abounded, and armed brigands roved about the country. Agriculture was in a wretched condition, and the darkest ignorance prevailed. About a quarter of the Bolognese were employed in the silk manufacture, and in 1835 there were from fifteen thousand to eighteen thousand weavers. Rome only produced a few coarse woollens, cottons, and linens, and in one or two places ironworks, supplied with ore from Elba, were established. Olive-oil was the sole export of any importance.

Naples and Sicily are naturally favoured districts, abounding in resources, which generations of bad government and priestly tyranny have allowed to remain undeveloped. Since the incubus of despotism has been removed commerce has taken a wonderful stride. In 1864 there were 3984 vessels under the Italian flag engaged in trade with Naples, and over seven hundred foreign vessels, chiefly French and British. The shipping of Sicily was more extensive, and in 1866 numbered 8970 vessels, and the value of her trade was more than £5,500,000, being an increase of 1630 vessels in a single year. Manufactures on the mainland were numerous but of inferior quality, everything of fine quality being imported, although interchange was much checked by prohibitions. England, France, Austria, Greece, Holland, Sweden, and Norway ranked in the order enumerated for the extent of their commercial relations with Naples. More than one generation must pass away before the neglect induced by sloth, superstition, and ignorance

can be replaced by that spirit of industry and intelligence which freedom should inspire. Production remained in a low state compared with the capabilities of the country, and confined external trade within narrow bounds. Little effort, too, was yet made to work the deposits of rock-salt, coal, and other minerals, which abound on the mainland, but sulphur had long been an important export both of Sicily and Naples. Its use was of vast importance to England in those arts and manufactures which require the use of sulphuric acid, and in the manufacture of gunpowder. The supply from Sicily was the subject of treaty between the Sicilian Government and our own, when by an arbitrary arrangement of the king, in 1838, a monopoly of the workings was granted to a French company, on condition that the yield should be limited to a certain quantity, the object being to raise the price, which had fallen, owing to the employment of more economical and extensive methods of production. This compact, so injurious to British interests, led to a protest of the English Government, and to the blockade of Sicily by an English fleet. It was not till after the seizure of many Sicilian vessels that the king was induced to cancel this obnoxious arrangement. "The exports from Naples and Sicily are nearly similar, and consist of olive-oil, silk, flax and hemp, wool, wine, corn, linseed, rags, macaroni, cream of tartar, skins, liquorice, succulent fruits, figs, almonds, sumach, starch, manna, dried raisins and currants, grain, madder, jewellery, leather, and many minor products. The imports comprise fabrics of every kind, especially of cotton, hardware, and various manufactures; iron and other metals; machinery, clocks and watches; coffee, sugar, and rum; cod-fish and pilchards; indigo and dye stuffs; pepper, spices, canvas, skins and hides."

Agriculture began to improve in Sicily and the Neapolitan Provinces, rice, flax, and cotton being the staple products. It was more advanced in Tuscany and in Lombardy,

where the soil, favoured by a perfect system of irrigation, produced the finest and heaviest crops in Europe. Time will show whether Italian unity has imparted to the people greater industry. Nature has done everything for the kingdom; man has allowed it to sink beneath the level of the poorest soil in Europe. Silk was the only industrial product of universal culture. Lombardy here again took the lead. If the rest of Italy had produced silk to a proportionate extent, five times the quantity would have been available for home manufacture and for export. Silk production in a descending order of importance, was carried on in Piedmont, Tuscany, Calabria, Emilia, the Marches, and Apulia.

Another reviving industry was the iron trade. With an abundance of ore, Italy supplied only a fifth of her own wants, and remained in a backward state with regard to machinery and arms of defence. Some of the Lombard iron used for cannon-founding was better than the best Swedish. The use of charcoal in smelting limited the quantity produced, but for most purposes it improved the quality of the metal. Italy might, with judicious management, and probably will, in time, supply the whole of her wants with native iron, at a much less cost than the present importations. Now the rails, turn-tables, and chairs, and other ironwork used in the construction of the railways, were, for the sake of cheapness, obtained from England and Belgium. An incidental resource enjoyed by Italy, in common with Switzerland, was the attractiveness of its climate to foreigners from all countries of Europe and even from America. The wealth distributed by this means influenced the productive labour of the kingdom in an appreciable and favourable degree. (*See Supplement.*)

CHAPTER VI.

I. FRANCE BEFORE 1815.

CONTINENTAL SYSTEM.—BERLIN AND MILAN DECREES.—ORDERS IN COUNCIL.

IN the year 1786, a treaty of reciprocal trade was entered into between France and England, and a prospect of profitable interchange was opened. This treaty originated with Mr. Pitt, and in some respects it was the prototype of the more recent Cobden treaty. The Eden treaty, as it was called, from the family name of its negotiator, Lord Auckland, was ended by the Revolution. Peaceful commerce could not exist during a reign of anarchy. The disappearance of money and the confused state of the finances, owing to wasteful expenditure and neglect of labour, were attributed by the French people to the machination of the English minister Pitt. The erroneous principle was advocated that, cutting oneself off from the produce of neighbouring states is more profitable than interdependence. Besides this the manner of the negotiation had been offensive to the French manufacturers, whose voice was not heard in the matter, until, in answer to their inquiries, they were told that it was too late, for the treaty was signed. Rouen, Rheims, Rennes, and Lyons were bitter in the expression of their discontent, and although Bordeaux, whose trade in wine was much increased by the treaty, applauded it without reserve, yet the old restrictive tariff was re-established in 1791, and the promise of peaceful intercourse was checked by a long war.

So scarce had coin become in the first year of the Revolution, that four issues of paper assignats, successively increasing in amount from three hundred to eight hundred

millions of livres, and secured upon the state lands, had already been made. This flood of paper wealth inundated the kingdom, and there seemed no limit to riches so easily created. The experiment was often repeated, frequent and large issues of assignats proportionately depreciated the security, and ominous signs appeared, that scattering paper broadcast did not increase the real wealth of France. It was made a capital crime not to receive the assignats at par; but foreigners were not bound by the statute, and took from the country all the gold and silver that was not hoarded. The paper-money sank lower and lower in real as distinguished from nominal value.

In 1790 assignats stood at 90 per cent.; in 1791, at 63 per cent.; in 1794, at 23 per cent. In the year 1795, in the face of this depreciation, the almost incredible amount of 40,000,000,000 of livres were issued. An issue of assignats for the purchase of meat, bread, and clothing, did not, however, increase the scanty stores of food and cloth in the country, or even render their purchase easier. At length a pair of boots cost in assignats from 8,000 to 10,000 francs, and a pound of butter could not be bought for less than 700 or 800.

The paper issues chased the precious metals out of the kingdom, for no decree of the legislature could persuade the holders of coin to change it for assignats, while they could change it for foreign merchandise. As a sequence to these economic errors, gold and silver were interdicted from exportation.

The new republic knew not how to use its freedom. A mania seized the people, and the "Law of Suspect" kept the guillotine busy upon the necks of friend and foe alike. Terror made property insecure, and the wealthy fled from the country. Internal trade was prostrated, and the foreign trade was annihilated by the cruisers of England. The fugitive rich took away what capital they could. All fiscal burdens and feudal services had been removed from the cultivators

of the soil, but a legion of vexatious regulations had been imposed upon trade, by a National Convention unused to rule, and urged by an ignorant and impoverished people. It was declared a crime, with the penalty of death, for a dealer to accumulate or to hold back from sale, at a fixed price, any merchandise amongst the first necessities of life. Dealers thus denounced as monopolists, and seeing their capital diminish, were discouraged, and fell out of the ranks of purveyors, and less than ever was brought to market. The fallacious policy of the Convention was crowned by the Law of Maximum, which classified commodities into thirty-nine lists, and fixed the scale of prices one-third higher than the current value of 1790, and the wages of the fabricants at double the rate of the same year. Erroneous principle could go no further; the evil results were soon displayed; such a system could only be administered imperfectly and maintained by terror. Dreadful scenes occurred, for which not the time itself, but the past misrule, a continuance of which would only have brought matters to a worse pass, must be chiefly held accountable. The Law of Maximum lasted till the fall of Robespierre, when its utter failure was evident to all, and freedom of commerce was re-established.

In 1802 the insincere truce, called the peace of Amiens, was concluded. A more embittered war broke out between the contracting parties in 1803. The war lasted with but little interruption until the final downfall of Napoleon at the battle of Waterloo, in 1815. In 1806 Napoleon's famous Continental System was launched against England, and an era of legislative reprisals ensued between the two countries, in which France suffered most.

The French Emperor endeavoured to destroy British commerce by sealing the ports of the entire Continent against English vessels, a measure which was intended to coerce England, but was fraught with ruin to the rest of Europe. His Berlin Decree was issued when, after the

battle of Jena, in 1806, the French entered the Prussian capital. By it, he interdicted all commercial intercourse with Great Britain, declared the British Islands to be in a state of blockade, and seized as prisoners of war all Englishmen found on any part of the Continent, over which he then possessed military jurisdiction.

England met the Berlin Decree by the no less celebrated Orders in Council, published in 1807, and lasting, to the serious detriment of industry, until 1814. These reprisals prohibited intercourse with any port occupied by the French; and Napoleon retaliated by the still sterner decrees of Milan, which reduced his Continental System to a code. The ports of Europe for several years presented the strange spectacle of not daring to admit English vessels for fear of Napoleon's decrees, and as little daring to let their own vessels leave their moorings for dread of the British cruisers. The mercantile fleet of France was captured, and her navy defeated. With an assertion of power which he could no longer enforce, Napoleon required neutrals to carry a French license to trade. England in reply seized the French colonies, effectively blockaded France, and declared prizes all neutral vessels carrying French papers. While England ruled the sea, Napoleon's policy was futile and his ordinances were useless. Navigation ceased wherever he could enforce compliance with his will. France, which had been the purveyor of sugar and coffee for European consumption, was compelled to look to other states for her own supply, and at last the enactments of her ruler cut her off from every source. Meanwhile the profits of a vast smuggling traffic which had arisen all over Europe, together with the growing trade between England and the United States, enabled English commerce to endure this trial with little loss; in the end, indeed, with positive gain. Except the English, there were soon no merchantmen in Europe, and England was called upon to act as universal agent and carrier. British fabrics and colonial produce were so

desirable that they were still purveyed, although surreptitiously and at greatly enhanced cost.

Thus, by an unintentional and strange concurrence of events, the world's commerce came into the possession of England, after a short effort of the Americans and the neutral nations conjointly to share it. So strict was the enforcement of the blockade that the Americans were taught to respect it by the ruinous loss of their marine, made prizes of by the English. Such an effect was as unsatisfactory to the author of the Continental System as could well be imagined. In 1809 Havannah was made a free port, another source of profit to British enterprise. Other new marts were also sought and secured during the war, which were not relinquished when the old ones were resumed.

Being unable to annihilate our trade, Napoleon conceived the thought of concurring in it, against his own principles, and of making it pay the costs of the war.

“Not many months after the Berlin Decree, a lucrative source of revenue was opened in France by the sale of licenses, under the emperor's hand, for the importation of British goods. The example was followed in Britain by similar exemptions from the Orders in Council. While British goods were burnt in the market-places of continental cities, and unhappy wretches were shot for conniving at their introduction; while the British Admiralty Court was condemning ships daily for contravening the Orders in Council, both governments were openly violating the very decrees to which they required implicit obedience. The sale of licenses became a principal source of all the private revenue of the emperor, and was carried to such a pitch that in 1812 the vaults of the Tuileries contained 400,000,000 francs, or £16,000,000, in cash, derived almost wholly from this source. This vast sum did not appear in the public accounts, but from it were chiefly derived the means for the stand against combined Europe in 1813 and 1814.”*

* Abridged from *Alison's History of Europe*.

Thus the Continental system stands condemned for its dishonesty as well as its impolicy. It crushed many of the free-born industries of Europe, and promoted a few unsuitable departments of labour, which were not maintained without flagrant immorality, and could not be afterwards diverted without injustice to individuals. Cruel penalties were inflicted when the law was evaded, while every license issued was a wrong done to the industry which the law professed to foster.

Napoleon laid down the principle that France should be self-sustaining in the production of all that was necessary for her maintenance, so that the loss of foreign supplies in war-time should not be felt. He had prepared the French in some measure to submit to industrial burdens, by restoring the imposts upon wood and salt, and making the tobacco-trade a government monopoly. As chief consul he had also re-established several of the old trade corporations, and as emperor he had carried this further, by surrounding various divisions of industry with inquisitive and superfluous regulations. Trade marks were rigorously protected, in the interest, it was thought, of the consumer, who was certified of the quality of the goods; but this made government surveillance necessary through the whole process of manufacture, until the proportion of alloy in jewellery, the number of threads in an inch of cloth, the size of every tissue, and the colours of their selvages, with officers and juries to verify these things, all became subjects of legislation.

That such a policy was false in its essence,—

“All Nature cries aloud through all her works.”

Nations cannot be independent of each other, and yet be progressive, any more than individuals. Physical conditions are against it. Were it by law good for France to produce all she needed, it ought to be good for other countries to do so; Holland, for example, whose existence depends upon interchange, the very piles by means of which, in the terms

of her national motto, she "strives to keep her head above water," being of foreign growth. Commerce is founded upon industrial produce. Cut off commerce, and you take away the great incentive to industry, the fountain-head of wealth. Thrown back upon its own resources, France or any other country must finally sink into a state of semi-barbarism, or Chinese stagnation. Without imports, a surplus for exchange would cease to be produced. If a nation were at war with all the rest of the world at once, there would be a show of reason in this fatal policy. Even then, the best preparation would be by accumulating wealth, which forms the sinews of war, beforehand. Napoleon's policy was afterwards imitated upon the Continent, and even in Russia, where its disastrous effects were so severely felt that the military prestige of France could not prevent its infraction; but Russian industry has ever since been protected and her commerce shackled with fiscal fetters unknown to Peter the Great, by which the development of her natural resources has been much impeded.

Austria, in like manner, has continued a rigid protective system, although she felt with ruinous severity the evils of Napoleon's policy, which destroyed the all-important national cotton industry. At the time of the downfall of the French Emperor, England and the United States had supplanted Austria, and furnished foreign markets with commodities formerly supplied by her industry. English machinery had increased production, and reduced the cost of fabrics so greatly that the use of English cottons became increasingly common, and influenced also the linen trade; and Austria suffered for many years not merely a relative but an absolute decrease of manufactures.

Germany, like France, under the Continental System, had to extort from the soil what had been previously better obtained from abroad. Improved modes of tillage were adopted, and many waste tracts were brought into cultivation. Necessity proved again the mother of invention.

The exclusion of foreign tobacco led to its culture at home. Beetroot was made to do service for the sugar-cane, chicory became a substitute, though a poor one, for coffee, and rape-seed took the place of the whale and the seal for the supply of oil. Manufactures were confined to home trade, but not having to compete with cheap foreign imports, there was an industrial activity which, at a superficial glance, seemed to prove the wisdom of exclusive laws. Cotton, linen, and woollen textures had never before so much engaged the people's energies. The manufacturers were busy, but clothing was neither good, cheap, nor abundant. A limited class profited, but the community suffered. Like results followed in every branch of industry forced upon the people against their genius, and unsuited to the soil and climate. Labourers were withdrawn from pursuits which their intelligence and experience had pointed out as the most productive, and directed to other pursuits. Many of the comforts and necessities of life were raised above the reach of millions who had formerly enjoyed them, while grain, the great export of Germany, having no outlet, remained upon the farmer's hands, or was sold at a ruinously low price.

In the interior, as well as at the trading ports, great injury was inflicted, all the more fatal because disguised under the semblance of progress in various industries forced into artificial life. With all the power that could be brought to bear upon production, the Continental System never compensated Germany and Austria for the total loss which it caused of their foreign trade. On the other hand, every European country, while learning to furnish its own requirements, was pursuing industry under difficulties, which imperatively demanded economy and skill, and laid the foundations of the continental reaction, *since* very plainly manifested.

In spite of its futility, the emperor still pursued his policy. Chemistry and other sciences were called into

action, to find substitutes for the colonial produce that could no longer be obtained in Europe. Numerous experiments were tried, many of which were failures, while some of them permanently influenced the national industry. No beverage could be devised to take the place of the Frenchman's fragrant coffee. Roasted beans and chicory could not, with all the appliances of the chemist, be impregnated with the aroma of the Mocha berry. Success, however, attended the extraction of sugar from the beetroot. This process was sedulously fostered by Napoleon, but at the best only sugar worse than could be imported was obtainable, and this with greater labour and at a higher cost. Experience, however, so improved the manufacture that beet sugar almost approached in quality that produced from the sugar-cane. Its cultivation rapidly increased, and was pursued chiefly in the northern provinces. It had not wholly superseded colonial sugar, nor for many years could it equal in quantity the supply from the West Indies.

The continual increase in production has been remarkably illustrated in France, which, in 1827, had, according to Mr. William Crookes, F.R.S., 39 factories, making 1,218,000 kilogrammes of sugar; in 1860 there were 336 factories, making 126,180,000 kilogrammes; and in 1866, 422, making 292,761,000 kilogrammes. The imports of colonial sugar were, in 1831, 81,750,000 kilogrammes; in 1837, 60,832,634 kilogrammes; in 1868, 69,104,714 kilogrammes.

The decline in the quantity of colonial sugar imported was compensated for in the growth of the beetroot sugar industry, for although up to the period now under consideration the yield was very small, yet we find such rapid strides during the next half century, that the following comparison may not be out of place: in 1828, the yield was about a little over two million and a half kilogrammes, in 1852 it had risen to nearly seventy-five and a half million kilogrammes, and in 1870 to three times this quantity, namely, two hundred and forty-three and a half million kilogrammes.

The French home-grown sugar trade would probably be destroyed if cane sugar were admitted duty free, but it maintains its ground by high protective duties, and affects so many individuals, that for two-thirds of a century the consumers of France have contributed to support an industry which now lays claim to prescriptive rights. No more conclusive proof could be needed, that the pursuit ought never to have been encouraged by legislation.

The cultivation of indigo was also persevered in, but with indifferent results, if not with complete failure.

One successful substitute of a native for a foreign product was that of soda for potash; the most useful acids and salts were likewise produced by new and improved means, and bleaching, dyeing, tanning, distilling, and other arts dependent upon chemistry were greatly promoted. The industrial legislation of the empire, with serious faults, which the diversities of counsels and the circumstances of the government were not enough to palliate, nevertheless marked some new progress in the destinies of industry. To Napoleon is due the creation of Chambers of Commerce and Manufactures; of the *Conseils de Prudhommes* or mixed juries of the most skilful operatives and masters, for settling industrial disputes, workmen's certificates, the institution of a property in trade marks, and the formation of a code of commerce; all of which still remained. In his own words, he had made the glory of his reign to consist in changing the face of his empire, in the execution of great works as necessary to the interests of his people as to his own satisfaction, including 3,400 leagues of roads constructed or repaired; mountains were crossed by highways worthy of the Romans, rivers rendered more navigable, bridges built, canals excavated, and Paris beautified.

Sully, Colbert, and Napoleon—three of the prominent industrial legislators of France—each countenanced the system of excluding foreign products, and protecting or encouraging home resources. Colbert, however, always had in view the

commercial prosperity of his country, not war, and encouraged the supply of raw materials of all kinds to nourish the home manufactures. Napoleon I., in the endeavour to injure England, departed from this reasonable rule, and in prohibiting raw materials, lost even the approbation of the home manufacturers, and created discontent. He multiplied rigorous edicts in vain, for smuggling flourished through the borders of all the states under his power, from the Baltic to Constantinople. Sully, Colbert, and Napoleon alike could see a present difficulty and an immediate result; they alike failed in carrying their view far into the distant consequences. Measures, based on false principles, eventually aggravated the evil they were meant to overcome. The prestige of these names blinded France to the depressing effects of the system upon general industry. When the French frontiers extended beyond the Rhine, the exclusive system produced some favourable effects upon the internal trade of France; but over a smaller area it would have proved utterly impracticable.

Machinery on the English models had been in use some years, and while European ports were closed to British manufactures, the overawed states had no alternative but to buy the fabrics of France. In the years 1814 and 1815 the old communications between Bordeaux and Bayonne on the one hand, and Germany and North-Eastern Europe on the other, were renewed. Since the peace of 1815, stringent fiscal ordinances and attempts to return to the system of minute disciplinary rules, engendered by private interests and sustained by prejudice, have been far more frequent than those of a liberal tendency.

II. FRANCE FROM 1815 TO 1885.

It was confidently expected, with the return of the Bourbons, that the French colonial trade would revive, especially in the West Indies. Many circumstances prevented the realisation of this hope. San Domingo was no longer a French colony. Martinique and Guadeloupe were too small to be commercially important, and Bourbon or Réunion was deprived of its value as a settlement, by the English occupation of the neighbouring isle of Mauritius. At home the harvests were bad for several years in succession. There were likewise levied upon the people immense contributions to meet the expenses of the late wars. At the first abdication of Napoleon the allies refrained from retaliating upon France, beyond limiting the frontiers of the kingdom to their former bounds. The country was now, on the contrary, invaded by 800,000 men, and 150,000 remained in occupation of all the frontier fortresses to secure the repayment of the outlay of the allies. These levies, exclusive of the cost of maintaining the army of occupation, amounted to the enormous sum of £61,500,000, thus distributed:—

Expenses of the war	£28,000,000
Indemnity for injury to various of the larger States of Europe	29,500,000
Minor States	4,000,000
Total	£61,500,000

These circumstances combined, diminished trade, and

gave little lustre to the restoration of the Bourbons. Exports sank to a value below what they had reached in the years 1785-7, when the average was 525,357,000 francs. In 1817, the value was only 394,787,000 francs, about £15,791,000 sterling.

Foreign trade, moreover, had so long been lost, that it had to be re-created; and its growth was slow, for other nations had obtained possession of the markets from which France had been shut out. Machinery had greatly improved in England in the interval, and its exportation being strictly prohibited, England was enabled to undersell France. Against such disadvantages, the French sought to distinguish their wares by excellence of quality, and pursued their national industries with much vigour.

By the year 1825, many divisions of industry were abreast, and some were in advance, of the corresponding industries of England. Capital had returned to the kingdom, and was increasing; the influx of travellers also added sensibly to the national wealth. It has been computed that in 1828 no continental state, and not even England, possessed so large an amount of specie as France, an improvement partly owing to the repeal, in 1825, of the prohibitions against the export of British machinery. The French were thus enabled to copy the English models, and to erect their own mills. This was the year when rash speculations in England, incited by the prospect of unrestricted trade with the South American republics, resulted in a monetary panic, while France, acting with commercial caution, was only partially affected. The desire for industrial improvement united all ranks, and capital was readily found for enterprises of a sound and substantial character. Bleaching and dyeing far surpassed the same arts in England, being conducted more scientifically. The silk and cotton goods were remarkably brilliant in colour, and fetched high prices. Weaving, paper-making, carpet-making, tanning, and the kindred arts, all became prosperous.

“The manufacturing and agricultural industries of France are closely interlinked. Although corn stands at the head of the produce of French husbandry, yet the fruit of the vine is only next in value, and the cultivation of the white mulberry, the beet-root, hemp and flax, madder and other dye-stuffs, supports manufactures of national dimensions. Notwithstanding these facts, the history of French agriculture possesses little of a cheerful or profitable character. From the days of Sully, agriculture has been the plaything and experiment of inconsistent legislation. Commercial laws affecting corn, which, to be at all justifiable, ought to be founded upon the wants, and the means for supplying the wants, of consumers, had been subordinated to regal profusion, well-meaning ignorance, and political influences. The markets were reserved for those who made the laws, and the country suffered for the interest of a class.”

At the period of the Revolution, a radical change took place in the tenure of land. A great grievance had prevailed in the enormous estates held by the aristocracy. It was therefore ordained that estates should be equally shared by all the children of a proprietor. The soil in a short time was divided into numerous small allotments. Farms not larger than ten, twenty, or thirty acres proved, however, from want of capital, as difficult to work, and the too minute division of land, as little conducive, perhaps, to economic cultivation, as the large estates of former times. The first emperor, though anxious for improvement, was too much occupied in his ambitious wars to construct or repair canals for irrigation. Neither under Charles X., nor under Louis Philippe, was there any marked advance. The former had little hold upon the country beyond his legitimate descent. Louis Philippe favoured the trading and manufacturing classes, to whom he owed his throne, more than the agricultural. Husbandry continued to be neglected, and fell short of that of less favoured countries. Even the breeding and rearing of horses, upon which France prided herself, and for the

improvement of which Henry IV. had founded the "Royal Studs," went back, and cattle rearing was in no better plight. Such a neglect of husbandry seems inexplicable, when we remember that 53 per cent. of the French people depended upon the cultivation of the soil for their subsistence. Wooden ploughshares, harrows with wooden teeth, and, in the southern provinces, the Oriental mode of oxen treading out the corn, still partially remained in use, and thrashing and winnowing machines had not even been heard of.

The reign of Napoleon III. was beneficial to agricultural industry. By fostering exhibitions and giving prizes, by encouraging co-operation and disseminating a knowledge of the best implements and methods, he attracted capital to the tillage of the land, and raised agriculture to a position better befitting the dignity of the empire. In the affairs of commerce Napoleon III. was equally enlightened, and promoted the general well-being by enlarging the area of interchange. The use of foreign produce did not appear to him,—as to the sovereigns before him,—prejudicial to national industries, but rather a most effective stimulant.

Especially were industrial exhibitions, both national and international, popularised. These successful means of stimulating agriculture, manufactures, and commerce, by bringing together for comparison the best examples of raw produce and the masterpieces of art, may claim a French origin. As early as 1789 an exhibition had been held in the Champ de Mars at Paris, for the purpose of measuring annually the progress accomplished. War prevented its renewal until 1802; it was repeated in 1803, and again in 1806, with greater splendour; and during the period of the Restoration, exhibitions were frequent and varied. These gave the initiative to the Universal Exhibitions, which will remain as distinctive features of the second half of the nineteenth century. France too held the first rank along with England in these peaceful contests, and her example has been copied by most civilised States. The benefits arising therefrom are manifold;

producers display their goods, and obtain the publicity they desire; consumers improve their tastes, and better satisfy their wants by the richness of choice offered them. Industrial exhibitions may now be regarded as permanent agencies of civilisation.

France was the chief wine producer of the world, its vintages being unapproached by those of any other country for quality, variety, and abundance. So large a surface in the south was covered with vineyards, that corn had to be imported from the north. At one time wine and brandy took the lead of the exports, but the system of protection adopted by some states on account of its apparent success in France, and by others in retaliation, *to protect themselves against French goods*, made these invaluable gifts of nature for many years of little importance in commerce. England imposed high duties upon French wines, and favoured the strongly brandied wines of Portugal and Spain, till it was a common belief that French wines were naturally our aversion, and port and sherry our taste. North America imported large quantities of French goods, but followed English policy with respect to wine. Austria fostered the culture of the vine in her own territories. Prussia likewise improved the growth of her Rhenish vines. Brandy began to be produced in many parts of the Continent. All these circumstances told adversely upon this special branch of French industry, and for a century and a half before the advent to power of Napoleon III. the value of the wine annually exported from France, ranged between the narrow limits of one and two millions sterling. During the four years previous to the reduction of the wine duty, the consumption of French wines in this country was under 601,000 gallons; at this period it exceeded 4,500,000 gallons.

The self-sustaining policy of the First Empire, fallacious as it was in principle, affected for many years the imports into France. The demand for sugar and coffee was diminished, and tea had always been an unimportant item of trade.

1787.	Value of Sugar imported,	140,000,000 livres.
1839.	" "	34,800,000 "
1822.	Value of Coffee imported,	20,000,000 francs.
1839.	" "	16,500,000 "

Of wool, cochineal, cotton, indigo, hides, and other substances entering into the domestic industry, yet not indigenous, there were visibly increased imports. Timber and olive-oil, produced to some extent at home, were supplemented by foreign consignments.

The introduction and rapid extension of the use of machinery in France brought about changes in the social habits of the people. Industrial processes became centralised in great factories instead of being dispersed amongst cottiers; and crowded towns arose with their attendant evils as well as advantages.

The government has for the last two centuries done much to advance French industry, by the construction of canals and roads, and by the creation of a governmental department, specially charged with the supervision of the means of communication. These judicious measures have facilitated interchange, and have encouraged very many travellers and residents from abroad to visit and reside in the country.

France devoted much attention to manufactures in metals. Mines of copper, lead, and still more important ones of iron, were worked before the Revolution, but not to any important extent. The demand for arms then became very great, and their fabrication was carried to an unrivalled perfection. Metal working afterwards increased in consequence of the general use of steam machinery and the construction of railroads. Though produced from inferior ore, the French iron was, in consequence of skilful manipulation, of very good quality. High protective duties were levied upon foreign iron in order to encourage native production, by which means the whole kingdom was taxed to profit the mining interest, a system carried out in good faith, for the highest personages in the realm invested sums in iron works.

The iron industry in 1835 was equal in value to a fourth of that of the cotton trade, and to a third of that of the woollen trade. The average home production for some years was worth over 100,000,000 francs, but no legislative stimulus could render it capable of supplying the whole demand of France, and importation was indispensable. Coal, like iron, is found in France, but of an inferior quality and in small dispersed beds. The hot blast in the smelting furnace made this common coal available, and helped to keep France abreast of other countries in her manufactures.

As an article of luxury the demand for silk is dependent upon fashion and wealth. Among French industries, therefore, the silk manufacture is one of the first to suffer from political or social disturbances. In the revolution of 1789 it was paralyzed, and when in 1793 Lyons was taken by the republican forces, and a great number of its inhabitants massacred, the manufacture temporarily perished. Napoleon gave an impetus to silk weaving by requiring official costumes to be made extensively of this fabric. But neither fashion nor imperial decrees developed the capabilities of the silk manufacture one hundredth part so much as the use of the Jacquard loom, so named after its inventor, and soon employed in further improved forms, not only for silk, but for all kinds of figured tissues. Jacquard was ill-treated at first, his looms were destroyed, and he was exiled, but he lived to be regarded as the father of modern French industry. There were in 1875 more than twenty thousand looms in Lyons, giving rise to a secondary, but very important trade, in the construction of their machinery.

A prosperous period for the silk trade began with 1822, when the exportations to England and the United States were of the annual value of 99,000,000 francs. From 1846 to 1852 the home produce of raw silk amounted on an average to twenty-four thousand tons of cocoons, yielding two thousand tons of silk, worth 120,000,000 francs. An

epidemic afterwards prevailed amongst the silkworms, so that, in 1865, the produce was reduced to a fifth of its former extent, and seed or grain, as the silkworms' eggs are called, had to be brought from distant countries to renovate the species and supply the deficiency. Syria, Persia, Bengal, China, Japan, were placed under contribution for this "grain." Silk fabrics then rose in value, though not so much as might have been expected; nor did the silk trade retrograde as a whole. The following summary shows that in the face of serious drawbacks the exportations of silk tissues were trebled within twenty years. Thus, in 1845 the exports were valued at 140,000,000 francs; in 1847, at 165,000,000 francs; in 1849, at 181,000,000 francs; in 1866, at 490,000,000 francs. It was computed that one-third of the manufactured silk remained in France. The progress of this manufacture was the more remarkable, inasmuch as Germany, Russia, and Switzerland, once customers of France, began to manufacture silk for themselves. North America discouraged importation by the imposition of heavy customs, and promoted the cultivation of the mulberry as a means of establishing a native silk industry. Finally, England extended its silk manufacture till its importance ranked next to that of cotton and wool. Besides fabricated silks, the production of the raw material was also very extensively pursued, until but little was imported, and that chiefly from Italy, while the exportation of home-produced raw silk increased every year. Much Italian raw silk, however, continued to pass through France in course of transit to England and other countries.

The woollen manufacture in France was of great importance before those of silk and cotton were introduced. Its value was increased by its smaller sensibility to the changes of fashion. For a long time the home supply of wool was ample enough to meet every requirement. But during the latter part of this period the imports of wool grew fast, not that the home supply was less, but that the weaving of cloth

was much more extensive. The imports of wool in the year 1865 amounted to eighty thousand tons, two-sevenths of which came from Australia. French cloths were valued for their durability, brightness, and delicacy of dye. Cashmere shawls, and other textures of long-combed wool, exceeding in beauty the fabrics of India, had long been made at Rheims and Amiens. At Sedan and Louviers only merino wool was used, and the finest quality of cloth was woven; Elbœuf and Aumale, likewise, produced excellent cloths. Coarser goods were made in Languedoc, where great flocks of sheep roam over the mountains and supply the peasantry with wool for spinning and weaving in the intervals of pastoral labour.

The woollen manufacture was not influenced, like that of silk, by the Revolution, except in the exportation being stopped; but the chief market for cloth was always at home, and the exports, though considerable, were but a small part of the produce. Towards the close of the first empire the exports had resumed their former dimensions. This progress of the woollen industry may be seen by the following:—In 1788 the exports of woollens were valued at 24,235,000 francs; in 1838 they rose to 80 millions, and in 1865 to 396 millions; while the imports of raw wool were in 1855, 68 million francs, and in 1865, 247 millions.

“French linens are of high repute. Hemp and flax have for three centuries formed part of the crops of almost every farmer and peasant, especially in Normandy and Brittany, where the women employ much of their spare time in spinning yarn. Brittany chiefly grows hemp, and manufactures sacking, canvas, and other coarse fabrics, but also furnishes the Laval linen, a very superior fabric. In French Flanders and all north-east France, as well as in Dauphiné, the manufacture of fine linens is still actively pursued, forming the chief occupation of many large towns. Cambray has given its name to cambric, and linen thread, gauze, lawn, printed linens, and other varieties of the manufac-

ture, are also made at Cambray, Douai, Channey, and Guise. Lace remains a general industry, that of Valenciennes taking the lead in public estimation and value. Linen manufactures have long been among the chief exports of France, and before 1789 they were exported even to the West Indies. They suffered with the rest at the Revolution, and it was not until the peace of 1815 that the trade gave signs of revival. The demand for linen had then lessened, as cotton goods had come into general use, and machinery had been invented in England for spinning the yarn, which so much diminished the cost of production that English linens found their way into France, where hand spinning continued to be employed. As a consequence, both the spinning and weaving of linen suffered a comparative decline. There was an outcry against the Cobden treaty from those engaged in the trade that it would prove their ruin; a fear, happily, not borne out by results, as shown by the subjoined figures:—

EXPORTS OF LINEN YARNS.

Date.	Value.
1859 (year before the treaty)	15,400,000 francs.
1864	24,500,000 „
Increase	9,100,000

The increase in the export of linen and hempen yarns is even more marked:—

EXPORTS OF HEMP AND FLAX YARNS.

1859	1,000,000 francs.
1864	21,000,000 „
1868	53,000,000 „

Compared with cotton and woollen yarns, this rapid growth is still more noticeable:—

EXPORTS OF COTTON AND WOOLLEN YARNS.

1859	6,900,000 francs.
1864	21,600,000 „
1868	27,200,000 „

These remarkable results, however, were chiefly brought about by the American war."

The cotton industry of France, which is divided into the three branches of spun thread, calicoes, and prints, is of modern introduction, dating from 1770. It was not till the French imitated the improved machinery of the English that this manufacture became of importance, and an extension of it took place in 1815. The chief source whence the raw material was obtained at that time was not, as later, America, but Egypt and the Levant. Most of the towns mentioned in connection with linen weaving were occupied also in the manufacture of cotton. We find Rouen in Normandy, the Manchester of France, was the metropolis of the trade, and Havre, at the mouth of the Seine, representing Liverpool, the *dépôt* for the raw material and the place of export for the manufactured article. The kindred arts of dyeing and printing were pursued in the province of Normandy and elsewhere. Cotton, however, was manufactured under disadvantages in France—machinery and coal were much dearer than in England, the cost of the latter being double what it was in Lancashire. England was then consequently able to undersell France in foreign markets. At various times the supply from the French looms has been in advance of the demand, and the stocks have had to be cleared at a loss. Yet between 1815 and 1840 the manufacture increased threefold, and under Napoleon III. it made rapid progress. Machinery for spinning soon largely superseded manual labour, and hand-weaving was only practised for the thinnest gauzes, and for fabrics meeting the temporary demands of fashion. It is reckoned there were no fewer than two hundred thousand hand-looms working in 1870, and the power-looms numbered eighty thousand. The cotton trade provided employment for six hundred thousand people, of whom one-third worked at home. Cotton cloths were not formerly manufactured for exportation so much as to supply the home consumption,

and the manufacture was fostered by protective duties in order to accomplish this object. The cessation of supplies of the raw material owing to the American civil war, brought much distress upon the operatives, and caused the attention of manufacturers to be turned to India, China, Egypt, the Mediterranean coasts, and the Brazils. The commercial treaty having introduced iron into France at a much lower cost than it could be produced from the native mines, placed the country more on an equality with England in the construction of machinery for her manufactures. So far have the effects of this treaty counterbalanced the drawbacks to progress, that from 1859 to 1864 the exports of cottons to the United Kingdom, the chief home of the trade in all its branches, advanced more than 100 per cent. Other interesting facts may be gleaned from a few miscellaneous statistics selected from the trade returns:—

EXPORTS OF COTTONS FROM FRANCE.

Date.	Value.
1836	66,500,000 francs.
1837	94,000,000 „
1838	114,000,000 „
1850	165,000,000 „
1866	177,100,000 „

The value of the exports to Britain alone between 1859 and 1864 rose from 5,700,000 to 12,670,000 francs. In consequence of the civil war in the United States, the importations of the staple fell in 1862 to a third of what they were in 1861. In 1866 they had again risen, from varied sources, to an amount nearly equal to that before the war, reaching 513,515 bales, equal to 120,000 tons of raw cotton, and valued at 420,000,000 francs. In the same year the woven textures and yarns were estimated to be worth 800,000,000 francs. Of these a fifth part was exported. Woven goods alone were exported in 1859 to the value of 67,200,000 francs, while, in despite of the war, their value had reached 93,700,000 francs in the year 1864.

Of the porcelain and glass-ware manufactures, which have

been famed for centuries, Paris and Limoges were the chief seats. Government favoured the beautiful artistic products in porcelain of Sèvres, some of them being reserved as special presents to princes. The establishment was carried on by a charge upon the revenue. Paris likewise manufactured many tasteful articles in china, for which there was a large foreign demand. Still the porcelain manufacture did not advance so fast as the textile manufactures, owing to the inability of France to compete with England and Germany, where every branch of this industry was carried to perfection. The glass of France now almost equalled that of England, and in purity of material and in chasteness of design was thought to bear away the palm. This industry, like earthenware, has had to withstand rivalry of a formidable character from Bohemia, as well as from England. Its most flourishing period was in the early years of Louis Philippe's reign. In fancy glass of a cheap character no stand could be made against the products of Bohemia, but in mirrors and the finest cut glass, Paris, the principal seat of this division of industry, maintained its ground against the competition of the world. From 1831 to 1833 the exports of porcelain advanced in value from 3,000,000 to 4,500,000 francs, and of glass from 5,500,000 to 7,000,000 francs. The value of the earthenware exported in 1868 was 36,800,000 francs.

Paper and paper hangings were made in Paris and in many of the smaller towns; we find French paper of the finest kinds was in great demand in England, both for writing and for house-decoration, and its importation was much enlarged, under the tariff settled by the treaty of 1860. It owed its superiority to the artistic care with which it was prepared. This branch of industry received an impulse from the application of chlorine in bleaching and from the use of vegetable instead of animal size. In 1827 the exports of paper were valued at 3,700,000 francs. In 1833 they reached 5,237,000 francs. Including books, the progress

from 1837 to 1838 was from 13,400,000 to 15,200,000 francs. In 1868 it had risen to 41,600,000 francs, and the tendency has been throughout to increase.

Paris itself must have special mention as the capital of the French empire, industrially as well as politically. More varied employments engaged its vast population of nearly 2,000,000 inhabitants than that of any other French town, perhaps even than that of London. Every extensive handicraft was represented in Paris, and the minor pursuits were manifold. It was the great emporium of the empire. The grand total of its manufactures, in 1856, was, according to M. Block, of the value of 1,463,628,350 francs, of which the exports amounted in English money to between £40,000,000 and £50,000,000. Since that date the industrial and commercial advances of Paris have been still greater. Unceasing efforts were made to equal the cheapness and strength of the English wares, and to add those elements to the taste and brilliancy characteristic of French productions. If these efforts have not accomplished all they aimed at, it is because the energies of England were aroused to keep in the van of commercial enterprise. Parisian industry included almost every item of luxury and usefulness, amongst the rest, jewellery, chronometers, watches and clocks, upholstery, scientific and musical instruments, perfumery, bijouterie, tasteful dresses, feathers, artificial flowers, buttons, kid-gloves, machinery, and numerous products of artistic labour. Many things sold as *articles de Paris* were made in the adjacent districts, just as in Switzerland the so-called Geneva watches are not necessarily made in that city, but are brought there for sale. Amongst the special manufactures of Paris were the Gobelins carpets, of very beautiful and expensive tapestry, and the shawls of Cashmere wool, which, like those of Rheims, excelled the choicest fabrics of the East Indies, and furnished employment for more than four thousand skilful operatives. The great object of the Parisians was to rival

the English, to which end all the resources of science and art were brought into action. Every discovery in mechanics and chemistry was utilised in industrial affairs, and every commercial and mercantile aid was at once put into requisition to facilitate intercourse and to open up new markets.

Next to Paris, *Lyons* was the chief manufacturing city in France, being the centre of the silk trade, and possessing a valuable traffic with England, America, Germany, Belgium, Russia, Turkey, and Spain. The operatives suffered from the vicissitudes peculiar to their trade, and held the reputation of being turbulent and disaffected in times of depression, when they have frequently risen against the authorities.

Havre, though less a manufacturing than a commercial town, was the principal emporium of the American trade. Its position relatively to Paris rendered it of increasing importance as its foreign trade expanded.

Marseilles, the ancient entrepôt of the Mediterranean trade, was the seat of many manufactures, as well as the grand outlet of the produce of the south of France. The commerce of Marseilles was principally with the East. Cotton and oil-seeds from Egypt, Africa, and India were important constituents of its import trade, while it obtained cocoons from the districts beyond the Caucasus, and from Japan. An extensive intercourse was carried on with Great Britain and America. The port also rose into importance as a point of embarkation for passengers to India, by way of Suez, but maintained its commercial rank although closely pressed by the rivalry of Genoa, and still more threatened by Brindisi.

Nantes, on the western coast, made the grain trade its speciality. This port, conveniently situated upon the Loire and near its mouth, had been made more available by improved facilities for inland transport of goods by road, rail, and river. Textile manufactures of an inferior kind flourished, and sugar refineries, chemical works and found-

ries were in active operation; grain, salt, iron, and coal being brought from the departments of the Loire for export, and commodities from abroad forwarded to the interior. The trade of Nantes with Great Britain increases yearly.

Bordeaux was largely engaged in the wine trade. Its chief intercourse was with the United Kingdom, and extended greatly after the conclusion of the treaty of commerce. Coal and colonial produce were the principal commodities received from Great Britain, much of the latter, however, being re-exported. The canal of Languedoc, constructed by Riquet, under the ministry of Colbert, unites Bordeaux with the Mediterranean, and enables a large trade to be carried on with the South of France.

Calais, *Boulogne*, and *Dieppe* were but little occupied in commerce and manufactures compared with the towns above described; yet they were busy and prosperous, owing to their positions on the routes of the passenger traffic between France and the United Kingdom.

FRENCH FOREIGN TRADE.

England.—Vastly as the foreign trade of France extended in the early part of this period, it remained still far from commensurate with the physical resources and geographical position of the country, and the intelligence, ingenuity, and enterprise of its inhabitants. This disparity is most seen in comparison with England. Ignorance and mutual distrust long kept the two countries apart, both cherishing the notion that naturally they were enemies rather than friends. In the Crimean War, where the two nations were engaged, they happily no longer faced each other, but fought side by side. The Cobden Treaty of 1860 made up for the loss which befell both countries upon the sudden stopping of the American cotton trade, by the blockade of the Southern Ports. Every year since increased this intercourse, which, while it added to the prosperity of both, strengthened the bonds of amity. The treaty, viewed with alarm by many

on both sides, brought about no consequences which were not reassuring. By comparing statistics of the gross trade and of the trade with Great Britain, we shall perceive the increase in every department of French commerce under the stimulus given by the Cobden Treaty:—

Gross value of exports from France—		Increase.
1864, 2,942,200,000 frs.	1859, 1,266,462,000 frs.	1,675,738,000
Total value of exports to Great Britain—		
1864, 641,018,775 frs.	1859, 421,771,450 frs.	219,247,325

In British money the exports for 1864 to England were valued at £25,640,751, those of 1838 at £5,602,145. In 1870 they exceeded the French exports to all the world thirty years ago. Such an advance is unparalleled in the history of France. The next period of five years ending in 1869, had no disturbing element of war, and advanced at an accelerated speed. The nature of the commerce between France and England may be gathered from an enumeration of the principal items of export and import:—

EXPORTS TO ENGLAND.

Silk manufactures and raw silk.	Madder and garancine.
Fine woollens.	Paper and paper-hangings.
Cambric.	Wines and brandy.
Parisian wares.	Seeds.
Clocks and watches.	Olive oil.
Furniture.	Quinine.
Fruit and eggs.	Feathers and artificial flowers.
Gloves and shoes.	Lace.

IMPORTS TO FRANCE.

Apparel and haberdashery.	Hardware and cutlery.
Iron and steel, arms and ammunition.	Copper.
Tin and tinned plates.	Coal.
Linen and linen yarns.	Leather manufactures.
Cotton and cotton yarns.	Foreign produce (re-exported from Great Britain).

Germany.—The proximity of Germany to France caused a commercial intercourse, which was of such importance that all the ingenious devices to hamper and destroy the trade met with but partial success. Every petty German state at

one time had its own customs dues, but the institution of the Zollverein abated this vexation, and the connection of North Germany with Prussia assisted to influence commerce still more advantageously. From Germany, France obtained wool, cattle, and grain ;—but linen and linen yarn arrived in much less quantity than formerly. The balance of trade was almost always in favour of Germany, that is to say, specie had to be transmitted from France in payment of imports, which circumstance shows that German products were in greater demand in France than French products were in Germany.

United States.—France had always cultivated a friendly intercourse with the United States, not always from admiration of its institutions, but sometimes from the less worthy motive of enmity to England. From the year 1827 to 1839, this trade was unusually prosperous. The reduction of duties in 1833 gave it a great impulse. It was checked, however, by the American war, but rapidly recovered its former dimensions. France sent to the States silk fabrics, woollens, cambric, and other fine linens. Cotton goods were exported in small quantities, wine and brandy largely, pottery, paper, olive oil, and articles of ornament and fashion were also sent. The imports from America comprised cotton, tobacco, cochineal, and potash. Tobacco had for some years been cultivated with great success in France, but though the quantity was large, it did not equal the American leaf in quality. The progress of the trade with America before 1839 is subjoined :—

Date	Value of Imports.	Value of Exports.
	Francs.	Francs.
1835	196,000,000	89,500,000
1836	239,000,000	110,750,000
1837	98,500,000	117,750,000
1838	132,750,000	170,750,000

The partial cessation of the trade while the civil war was proceeding rendered the course of interchange irregular in after years, but the general tendency has been to increase.

France carried on a valuable commerce with Holland, Belgium, Switzerland, Italy, Spain, and Portugal, which has already been noticed in our account of the commerce of these countries.

The Mediterranean trade, for which France is so excellently situated, but of which the empire was deprived by the English fleet in the time of the first Napoleon, soon rose, after the introduction of steam navigation, to great importance. The overland route to India brought much prosperity to Marseilles, now one of the most flourishing cities in France. Toulon, Dix, Montpellier, and every Mediterranean port shared in a minor degree the same advantages. Cette is an instance of a flourishing town owing its origin to great works of economic utility. It arose in the time of Louis XIV., directly from the construction of the canal of Languedoc, and is still an important commercial town, as well as the favoured place of resort by the sea-bathers of the south.

Colonial Trade.—Algiers was at this time the only important colony of France. The West Indian colonies and the settlements in Asia were too small to affect either its commerce or revenue. Before 1825 the produce of sugar from the West Indies supplemented the beetroot manufacture. It gradually fell, till, in 1840, an excise levied upon the beet sugar promised to restore the colonial industry. The moral effect of the liberation of the slaves by the English, however, influenced the French at this time, and they abolished slavery when its continuance might have been commercially advantageous. As a consequence, it was only during the later years of this period that free labour in Guadaloupe and Bourbon produced enough sugar to export with profit. The trade of Martinique remained nearly stationary.

In generalising the results of the commercial treaty of 1860, we may observe that its tendency was to enlarge both the domestic industry and the external commerce of France. It also altered the relation which industry and commerce bore to each other. Trade, before the treaty, was primarily confined to the supply of home demands. It has been seen that this is most efficiently accomplished by unrestricted interchange with other countries, and, without doubt, the intercourse of France with the whole world was enlarged as a consequence of the treaty with England. While the incentive to outvie the British excited a generous emulation in industry, it was a healthy stimulus to both nations. The course pursued under the second empire tended to confidence rather than to distrust, and gave great reason to hope that the calamities of war between the two were not likely to be again experienced. Among the political changes brought about by the Franco-German war must be reckoned an apparent change in the commercial policy of France, and a reversion, under the present possessors of power, to old restrictive principles.

CHAPTER VII.

THE UNITED KINGDOM OF GREAT BRITAIN AND IRELAND
FROM 1790-1885.

I.—COMMERCIAL POLICY.—SHIP-BUILDING.

BEFORE 1790 the English minister Pitt had sought to initiate free trade with France, a measure which was frustrated by the outbreak of the Revolution. Already coal had been rendered available for the process of iron-smelting, which, through the diminution of the forests, had become so unimportant an industry, that England was yearly more dependent upon Sweden and Russia for her supplies of the metal, although her own mines were inexhaustible. Sweden drew from England annually at this time one and a half millions sterling for wrought iron. Improvements in machinery were making rapid progress, and even thus early steam power was utilised.

War diverted the current of events. Shut out from almost all Europe, the English were impelled to seek markets further from home. Spain and Sweden were for years the only countries in Europe open to our ships. Thence many English goods reached the closed states, and a contraband trade was even covertly encouraged by the governments. Without war, England might possibly have sooner attained to the extent of trade she now possesses, but it would have been in conjunction with the rest of Europe. War threw the entire European commerce into her hands, and swept the sea of rivals, while India and America opened wider fields of interchange than those from which she was excluded. At a prodigious cost many powers were kept in the field against France. The wants of the forces engaged gave employment to an industrial army at home ; but with peace

of 1815 was £1,113,000,000, or £80,000,000 a year, while the exports during the same period only amounted to £720,000,000, and were swollen to this amount by the supplies sent to the troops and to the English allies. Shipbuilding underwent an extraordinary development, and the loans negotiated by the government being expended in the materials of food, clothing, and ammunition, imparted such vigour to agriculture and to many departments of labour, that the weight of taxation was considerably alleviated.

The history of the war shows how much the development of British trade depended on political changes, and how skilfully every obstacle was made use of to expand it. Subsequent and previous events illustrate the same fact.

The severance of Brazil from Portugal, and of the Spanish republics from Spain, opened the whole of South America to British merchants, who, when the Baltic was closed, turned to Canada for timber and forest products, and created a trade which benefited both sides of the Atlantic. Again, the voluntary severance of the United States from the mother country gave greater freedom of growth to those colonies; and when ill-feeling had subsided, those who were once fellow-subjects became mutually good customers. Thus the insular energy of the United Kingdom confronted every danger, and educed good from evil. The British colonial empire also spread through every ocean; many stations, the prize of conquest, which promised commercial gain, or were favourable as military depôts, being retained at the conclusion of peace, while others were restored.

Meanwhile, the impulse given to the iron trade, and the application of steam power, were doing their mighty work, and the consequent improvements which took place in industrial machinery gave a vast expansion to industry and interchange. Steam, applied to locomotion, facilitated communication, both by land and water, with the whole world; and soon, by means of the electric telegraph, supply

and demand were so regulated as to avoid extreme fluctuations in prices, and the tendency to equalise profits and to discourage rash speculation was promoted. Extended intercourse too acted and reacted beneficially upon the nations brought together by commerce. "While England keeps the lead, and may in so far claim to be a great social benefactor, she receives as richly as she distributes." The Atlantic was now crossed in little more than a week, a voyage which, before the passage of the *Great Western* steamship in 1838, took five or six weeks. India could be reached overland in less than a month,* and by the way of the Cape in double that time, instead of, as before, occupying nearly half a year. (*See Supplement.*)

The British steam fleet became twelve or fourteen fold as numerous as it was thirty years before. Legislation aided in this development, and the United Kingdom led the world, as it has been remarked, not only by the magnitude of her commerce, but by the wisdom of the principles upon which it was conducted. The principle of levying customs and excise merely for revenue and not for protection, upon which British legislation had been conducted for some years, helped to keep England as the focus to which ships converged bearing the products of nature and art from every clime, and from which also as many radiated, freighted with British manufactures for world-wide use. Postal facilities, also the fruit of legislation, saved both time and labour, by the safe and speedy transmission of orders and patterns by post, and of orders for payments of money. The transmission of small sums by this means so much increased, that the amount of "Seven Days' Bills" standing to the debit of the Bank of England was reduced from nearly a million sterling, at which it once stood, to half that amount. Much business also, which once involved expensive journeys, was now transacted by correspondence; while, on the other hand, a run across the Atlantic was thought less of than

* The "regulation" time to Bombay was twenty-three days.

a journey to Edinburgh a few generations ago ; and business agents as easily made the tour of Europe as they formerly did of a district of their own country.

France, Holland, Germany, and Russia represented the chief States in Europe that shared with England the great commercial development of this epoch. As their home manufactures increased, they became less dependent upon England for their supplies of clothing and other commodities. Yet, the resources of these countries increasing with their wealth, the value of the commerce between them and England rose year by year ; while the articles traded in were of every variety, both in kind and amount. In the case of Spain and Portugal the policy of high protective duties extinguished home manufactures, and caused a diminished trade even in wines, the sherry and port of these countries gradually giving way to the lighter wines of France, where a more liberal tariff prevailed. Spain seemed to be at length awakening to these facts, and with next to nothing left to protect, evinced a willingness, rather than a desire, to mitigate her tariff.

II.—DISCOVERIES OF GOLD.

Mr. Hargreaves first discovered gold in Australia in 1851. He had been to the "diggings" in California, and, on his return to Bathurst, was struck by the geological resemblance of that district to the gold regions he had just left. Thus stimulated to search, he was rewarded in a month or two with considerable finds of gold. On making the intelligence known, he readily obtained a Government reward, and an appointment as Commissioner of Crown lands. A native shepherd, in the service of Dr. Kerr, soon afterwards found a mass of pure solid gold. Richer gold-fields were shortly afterwards found to exist in the neighbouring province of Port Phillip (now Victoria), and

within ten years, gold was sent to England to the amount of £100,000,000. During two or three years of this period, an annual average exceeding £12,000,000 sterling arrived in England; and the quantity found within more recent years amounted to from £7,000,000 to £8,000,000 annually. The total exports of gold between 1851 and 1868 amounted to more than £31,000,000 from New South Wales, and above £138,000,000 from Victoria—an aggregate of more than £169,000,000. These well-nigh incredible sums are amounts entered on ships' manifests, and are irrespective of the gold retained in the colony, and the large sums brought under private charge. Some of the largest masses of gold ever found have been the produce of Australia. The principal are:—

	Yield of Gold.	Valued at.
1. Mass found, as above, by native shepherd	—	—
2. Three quartz blocks, 2 to 3 cwt., found in Merroo Creek, N.S. Wales	1344 ozs.	£5,400
3. "Victoria" Nugget from Bendigo, Victoria, a mass of virgin gold	340 ozs.	£1,360
4. Water-worn Nugget of pure gold, also from Bendigo	1272 ozs.	£5,000
5. "Welcome" Nugget from Ballarat	2217 ozs.	£10,000
6. The "Blanche Barkly" Nugget, from King-ower	1740 ozs.	£6,905
7. Nugget at Canadian Gully, Ballarat	1615 ozs.	£5,600
8. The "Heron" Nugget, a solid lump (near Mount Alexander)	1008 ozs.	£4,080

The influx of the precious metal, nevertheless, had but a comparatively small effect upon prices. The yearly supply, though vast, is as nothing compared with the accumulated stores of ages, consequent on the indestructible character of gold. The annual increment would not suffice to pay the interest of our national debt or to relieve England of more than twenty-five per cent. of taxation. In twenty years, however, the quantity produced must have been equivalent to more than five hundred millions sterling.

What became of this immense store? Much of it

was coined to meet the demands of a rapidly-growing commerce and the wants of an increasing population. If the abundance of gold did not perceptibly diminish its value, it certainly saved us from the inconveniences of scarcity and enhanced value. Much, too, was diverted to the arts; and wealth and knowledge created manifold uses for gold, only possible from its abundance. Electrotype gilding, for instance, was an entirely new art. A great quantity was also absorbed by India, where, not being as yet much worked, it was highly prized. The Hindoos had experienced the blessings of just laws and a settled government too short a time to feel confidence in the security of their property, so that the custom of hoarding still largely prevailed. In this manner, it is believed, much of the Californian and Australian gold was absorbed. The production and consumption of silver kept pace with those of gold so nearly, that the value of the former compared with that of the latter only varied within the limits of three-pence an ounce, and no modification of silver coin was rendered necessary.

We are not to suppose that England's wealth and greatness were due to the arrivals of gold. Every ounce of gold brought to England in the course of commerce represents labour, not only in obtaining it abroad, but also at home, in the production of commodities for exchange. No part of the gold produce was a gift to English industry, nor was it an unearned tribute levied by the Government upon the colonies. Gold is but a small part of the wealth of England. Our yearly yields of *coal* and *iron* exceed in value that of *gold* throughout the world. During this *golden* age there was, almost without exception, an annual surplus of revenue.

Meanwhile England waged a costly war against Russia, a smaller war in Abyssinia, put down a fearful insurrection in India, and a lavish outlay was required for the reconstruction of her navy and the improvement of the national

defences. With all these drawbacks, industry and wealth rapidly expanded to wider dimensions than ever before attained, and still gave signs of healthy growth.

Maritime adventure, from the love of enterprise and in the pursuit of science, was also promoted rather than neglected in the eager race for wealth. Polar explorations animated numerous heroes with the olden zeal, and claimed numerous martyrs during the present century. British research was crowned with the discovery of the north-west passage, invaluable in a geographical sense, but destitute of any practical or commercial importance on account of the severe cold of the high latitudes through which the channel passes. Thus all that was good and vigorous in British enterprise was due not to gold, but to the national character, and the country kept her place, advanced, or retrograded in the ratio of her skill, intelligence, energy, and good faith. Gold flowing into her coffers from America and Australia did not prevent the recurrence of mercantile crises, accompanied by collapses of credit, as severe, and as widely felt as those of 1797, 1825, and 1836.

III.—BRITISH AGRICULTURE SINCE 1790.—CORN LAWS. POOR LAWS.—COTTON TRADE.—COLONIAL TRADE.

“A fondness for the soil is distinctive of British character. Yet this epoch being essentially that of manufactures and commerce, agriculture, while it *positively* advanced, *relatively* lost ground. This is the more noticeable, inasmuch as the produce of English husbandry consists almost wholly of food for man and for domestic animals. Corn and grass, root crops, and pulse are extensively grown. English horses, cattle, and sheep, are equal to any in the world, and the dairy produce is excellent; but there are no great fields of flax and hemp or madder root, nor are there any vineyards. The nearest approach to the cultivation of raw produce for manufactures is found in the apples of the south-west counties,

grown for cider making, and hops and barley for brewing. The raw material for the great textile manufactures is imported. Even English wool, which is of first-rate quality, only supplements the larger supplies from Australia and other lands." Restrictions upon the importation of corn, while increasing the landowners' and farmers' profits, took away the incentives to improved husbandry produced by competition. These restrictions, added to the growth of population following upon the increasing wealth derived from manufacturing and commercial industry, combined to keep up the price of corn, and ultimately to render bread so dear as to cause universal distress. It became plain at last that no *one* interest must possess privileges at the expense of the rest, and that least of all should bread, the staff of life, be thus made dear. The question was very serious. Corn of home growth was far from enough to meet the demands for consumption. Grain had to be imported in large quantities, as the subjoined facts will show :—

Date.	Value of grain imported.
1800 to 1802	£19,600,000.
1817 to 1819	£25,200,000.
1829 to 1831	£18,200,000.

Whatever duty was levied upon foreign imports, the home-grown corn rose at once to the same price, for the farmers would not sell below it. A double injury was thus inflicted upon British industry; dearness of bread, compelling the operatives to resort to substitutes for bread, made every form of food dear. As the real value of wages is to be measured by what the labourer can procure for his money, this high cost of the prime necessities of life made him clamour for higher pay, and led to discontent and strikes. Again, the grant of more wages enhanced the cost of our manufactures. At length enormous numbers of the people emigrated to America, Australia, and the Cape of Good Hope; but, as productive labourers, their departure was a

national loss rather than a relief. Matters grew worse every year. Even the middle classes were compelled to retrench in their consumption of bread. A crusade against the corn laws began to be advocated by a section of economists in the years 1839 and 1840, and by slow degrees nearly the whole of England was roused to a conviction of the harm done by these obnoxious duties. It was, however, feared by some that agriculture could not stand alone, after having been so long supported. The idea that protection was a duty, had taken such firm hold upon many minds, that a powerful opposition resisted any change for some years longer. Meanwhile the corn-growing countries copied the evil example, and retaliated with heavy duties upon our manufactures. Industry languished, and the price of food continued to rise. There came at length a year of dearth. Famine and pestilence ravaged Ireland, and Great Britain endured privations unknown within the memory of man. What reason and argument could not achieve, was brought about by the logic of starvation, and all the ports of the empire were, in 1846, thrown open to the foreign corn trade by an Order from the Queen in Council. Since that year, the price of bread has fluctuated between narrower limits, and has never been so dear as it was formerly.

English Poor Laws.—For more than two hundred and fifty years the duty has been recognised in England of providing for the incapable poor, by a compulsory contribution or rate from those in business or having a regular income, according to their means. This system, good in principle, became bad through erroneous legislation, and in the end was so abused, that the misery of the labouring classes was increased instead of being diminished. To understand this, a brief history of the poor laws is necessary. Before the suppression of monachism in England, the relief of the poor was quite voluntary, the clergy acting as almoners of the bounty of the benevolent, an arrangement still existing in

some of the Roman Catholic States of the Continent. It was made unlawful to beg, except at the religious houses, and upon the dissolution of these sources of relief, an immediate necessity arose for repressing vagrancy. Henry VIII., therefore, in 1536, enjoined that every parish should collect alms for the support of the helpless poor, and gave power to the local officers to compel able-bodied vagrants to work for their living, severe penalties being imposed for disobedience. An assessment upon ratepayers was made in 1572, in consequence of the failure of the voluntary system. It was not, however, till the famous statute of 43 Elizabeth, ch. 2, in 1601, that the English poor-laws were codified and reduced to a system. The preamble stated the object of this law to be "to set the poor to work, to relieve the lame, impotent, old, and blind, and to put their children as apprentices." The act of Elizabeth is notable for the introduction of the labour test, to prove that indigence and not indolence urged the applicant to seek relief. No able-bodied pauper henceforward was to receive relief except upon condition of working. In the reign of James I., this principle was further enforced by the erection of "Houses of Correction," where such labour-tests could be applied. These houses, although they foreshadowed the modern workhouse, were then mainly, and now solely, used as places of penal labour. Workhouses properly so called, were not built until the reign of George I., in the year 1723. By an enactment of this date, paupers were required to enter the poor-house, and by their labour to repay the cost of their maintenance. Many thought that the difficulty was now solved, perhaps even a profit was to be got out of pauper labour. Hard as it was upon the poor, reduced by misfortune, to break up their homes before they could receive relief, yet the requirement rid the parishes of lazy impostors. The provisions of this act were not strictly carried out. Partial aid from the rates was awarded to labourers in employment, and at length it was regarded

by the poor as right that they should thus receive an addition to their wages. This practice paved the way for Gilbert's Act of 1782 (22 Geo. III. c. 83), which made it imperative upon the parish guardians to provide employment for every pauper parishioner. By a subsequent Act, in 1797, these arrangements which had before been tentative, were made permanent. Out-door relief to the able-bodied became from this time an institution of the land.

This scheme, framed rather on the economic ignorance of the Middle Ages than with prudence and foresight, had the effect of fostering idle and drunken habits, vicious life, and pauperism. Tables were made out stating the amount of wages which a labourer *ought* to be paid, in relation to the price of bread. The minimum wages were put down at 3*s.* a-week, increasing with the cost of the loaf and with the number of children in the family. A man with seven children, when bread was 3*s.* a peck, could demand, by law, relief to the amount of 15*s.* a-week, and when bread rose to 4*s.* 3*d.*, to the amount of 20*s.* 3*d.* Paupers secured in this manner as much bread in seasons of scarcity as in those of abundance, while the thrifty ratepayers had to deny themselves many of the necessities of life whenever bread was dear, in order to pay their rates. If the object had been to boast of the large sum spent upon paupers or to cultivate the pauper community as one of the resources of the kingdom, success could not have been more complete. Poverty became synonymous with sloth and ignorance, vice and crime; the poor lost their self-reliance, their sense of shame, and all care for the future. These evils were aggravated by the law of settlement, which bound labourers like serfs to their parish, and gave rise to parochial feuds and litigation all over England, in deciding to what locality those paupers "belonged," who had left the parish of their birth or apprenticeship. Numbers of labourers were passed on to their parishes, where they were useless, and in other places where labour was in request,

the most jealous restrictions were in vogue, to prevent labourers making a "settlement."

Before the Act of 1797, the poor-rates never reached £2,000,000 yearly. At the beginning of the nineteenth century they exceeded £9,000,000. From 1782 to 1834, a period of more than fifty years, the ratepayers endured a burden, the oppressiveness of which increased in a ratio greater than that of the population and of the national wealth. Some parts of the country were so heavily taxed that the produce of the land could not pay for its cultivation, and rather than bear the local imposts, proprietors and occupiers not unfrequently allowed their fields to revert to the condition of waste land. The Poor Law Amendment Act of 1834 (4 and 5 Will. IV.), based upon the laws of Elizabeth and of Geo. I., by re-establishing the labour test and limiting the out-door relief, reduced the rates in three years by one half. Labour again became an object of pursuit, now that it was the only means of obtaining a subsistence, and the crowd of worthless idlers formerly living upon the parish alms disappeared. Since this time many of the other evils of the system have been extinguished, public morality rose higher, and though pauperism fluctuated with the prosperity of the times, it never assumed such alarming proportions as under the old law.

We gather from these facts why a diminished trade, no matter from what cause, was to England such a calamity. Taxation was so burdensome that it hampered industry even in times of abundance, while in times of scarcity the army of paupers became swollen, and the levies upon the middle classes were well-nigh unendurable.

Morality, and therefore industry, were lowered in the early part of this epoch by the prevailing military spirit. Labourers were taken from the plough, the forge, and the loom, and, while drilled into good soldiers, were spoiled for the productive arts. Whether disbanded or invalided in the end, their life in barrack and in camp unfitted them for

peaceful pursuits. Drunkenness and other vices spread from the soldiers to the working classes, and were very prevalent long after the close of the war. The factory system had likewise a deteriorating influence. Immigrations of Irish of the lowest order, into the manufacturing towns, took place in considerable numbers. Children of the tenderest years were taken into the factories, school and home training, as well as health and growth, being sacrificed for the small pittance they could earn in cotton, woollen, and silk mills. Whole families were oftentimes employed, from the youngest child to the parent or even grand-parent, and thus the influences of home, the great safeguard of English virtue, were seriously interfered with. Factory acts to regulate the employment of women and children, and to fix limits to the age at which children might be employed, and the number of hours for which they might labour, conferred a blessing upon the helpless young, by ensuring them a longer period of home life and some amount of school instruction.

Emigration, also, had an important share in the formation of the character of this period. The nineteenth century has been characterised by emigration on a scale never before witnessed. Commercial inducements led many English to settle in France and Russia, but these are few compared with the hundreds of thousands of colonists who went to the United States and British North America, and at a later date to Australia, New Zealand, and Tasmania.

The chief emigrants were our artizans, yet individuals of a higher social class also went out either on the service of the government, or of their own accord, but in these instances principally to the English colonies and possessions. Of our Irish fellow-citizens who have left their native land since 1850, amounting in all to over three millions of souls, nearly the whole settled in the United States.

CHAPTER VIII.

INDIA AND AUSTRALIA FROM 1790 TO 1885.

IN the early years of British sway over India its importance was altogether owing to its native resources, and not because it took the products of English agriculture, manufactures, and arts. Neither linen nor woollen goods found a sale, for cotton was the universal dress in India. The gigantic cotton trade was then of humbler dimensions, and the British were for a long while dependent upon India for many cotton fabrics, which were famed for their fine quality. Indian muslins were valued at a higher rate than any others. In 1814 the cotton pieces brought to England numbered 1,266,600; and in the face of machinery and cheapened production as many as 414,450 pieces were brought as late as 1837. At length, even India, with the rate of wages only one-twelfth of that in England, could no longer compete with British facilities for manufacture. Cotton fabrics disappeared from the list of Indian exports, and soon began to be included on the other side of the account. In 1858 India took from England cotton piece goods to the value of £4,776,764 sterling, and in 1865 the imports had increased to £11,035,885. The average in 1870 was about £10,000,000. Cotton twist and yarn were also taken by India in quantity ranging from twenty-three to twenty-five millions of pounds avoirdupois, and valued at from one and three-quarters to two millions sterling, according to price.

The extent of land in India suitable for the growth of cotton is practically unlimited, and the cultivation has in

later years been largely increased. The American civil war greatly contributed to this result, for by stopping the American supply of cotton it compelled us to turn to India as the largest and most important field. In 1860, before the outbreak of the war, India supplied 204,000,000 lbs. of raw cotton; in 1866, at the close of the war, 615,000,000 lbs., but part of this had been diverted from other markets, for a large proportion of the Indian cotton was formerly sent to China, a trade which ceased altogether during the American civil war, and had not yet recovered, the cotton cultivation in China having in its turn been extended to meet the wants of that empire. In 1870, although India was subjected to the renewed competition of the American cotton States, more than 340,000,000 lbs. of the staple were exported to England.

Indigo, next to cotton, formed one of the most valuable products of India. About four-fifths of the indigo used in England were obtained from this source. More than a million pounds weight was annually consigned to England at the opening of the nineteenth century. The supply, with many fluctuations, but with a tendency to increase, reached in 1830 the weight of eight millions of pounds, since which date a diminished use of blue cloth, together with the discovery of other blue dyes, lessened the dependence upon indigo, although the imports were still very large, approaching 80,000 cwts. from all sources.

A few years before the close of the last century an increasing consumption of opium in China was noticeable, and its cultivation was extended to meet the demand. In 1816 it was the most valuable commodity in the commerce of British India, and held that position until 1861, when the great rise in the cotton trade caused it to take the second place. The value of the exports of opium was in that year over ten millions sterling, and since then has varied from ten to twelve millions a year. It was an exceptional government monopoly, from which one-sixth of

the public revenue of British India was derived, or about £8,200,000 a year.

Jute, another article of Indian produce, during this epoch took a place of great importance in the list of exports, being largely used in the manufactures of Dundee and elsewhere, as a substitute for hemp, or to mix with finer materials, as well as for coarse descriptions of sacking (gunny bags) in India itself. Jute is the fibre of a plant, *Corchoru capsularis*, and of another species *C. olitorius*, indigenous to India and Southern Asia, growing to the height of ten or twelve feet.

The chief of the remaining articles of export from India were rice, grain and oil seeds, coir and other fibres, saltpetre, horns, hides and skins, ivory, shellac and lac dye, silk, spices, sugar, tea, coffee, timber, and wool. Goods were imported into the United Kingdom from India in 1836 to the value of £9,000,000. In 1864, under the stimulus of the civil war in America, they exceeded fifty-two millions sterling, while the exports from England to India approached twenty-one millions. The difference of values was partly balanced by specie, of which India received, in 1857, from all sources, £14,413,697, and this by an annual augment reached to £22,962,581 in 1864, and £26,557,301 in 1866.

Cotton goods stood at the head of our exports to India. Muslins were introduced about 1824, and still find particular favour in the market. By the year 1837 the quantity imported had increased from less than a million yards to sixty-four millions annually. About one-sixth of all the cotton yarn made in England was absorbed by India, and the demand for woollen goods continued largely to increase. Machinery and metals to a considerable amount were also consigned to the markets of Calcutta, Madras, and Bombay.

The trade of India was exclusively carried on by the East India Company till the year 1833, which date divides two distinct epochs in the commercial history of the country. A monopoly was long granted to this company, and at the

same time Indian produce was burdened with such excessive custom dues that many commodities could not be brought home, but were disposed of by the East Indian merchants in China and other regions of Asia. Sugar and coffee found markets on the Continent, and even in North America, instead of in England, where their enjoyment was denied. For some years after the lapse of the exclusive privileges of the East India Company, that corporation maintained the lead in the Indian, and a monopoly of the Chinese trade. When, in 1842, all restrictions were removed, the Indian trade received an immediate development, and largely increased during the years that followed.

India is a British conquest, and not a colony in the ordinary sense of the term, as few English go there with the view of settling. Under the monopoly of the East India Company, settlers were wholly discouraged, but after the lapse of its charter a good deal of British capital sought investment in India. The result was seen in the wonderful growth of commerce. The cultivation of American cotton was tried with success, and soon took to some extent the place of Surat or native cotton of inferior staple, requiring special machinery to work it. Other fibres, such as flax and hemp, also received attention. Sugar cultivation was promoted by the introduction of canes from Tahiti, and the planting of tobacco was much extended. Tea planting was carried on in Assam, Cachar, and Sylhat, and other places bordering on the Himalayas, with considerable success. Coffee cultivation was also much extended, and the cinchona or Peruvian bark introduced.

Trade with India was unrestricted even before the principle of free trade had been accepted by the British legislature, and to this freedom is due the great development of these years. Two costly wars were waged within this period, that with China, on the opium question, ending with the peace of Nankin, by which China agreed to pay twenty-

one million dollars, and that with the Sikhs, terminating in the annexation of the provinces of the Punjaub, at a cost of nine millions sterling. Since these events the Indian Mutiny has taken place; it threatened at one time the loss both of our prestige and possessions, but in the end was subdued. This mutiny had the effect of accelerating the transfer of the government from the East India Company to the Crown, and India thus became governed as an integral part of the British empire. Public works were carried on to a far greater extent than before, and the country began to be covered with a network of roads, railways, and canals. Coal was also discovered and worked to a considerable extent; though of inferior quality, it was largely used for steam navigation and railway purposes. Much has been done in improving irrigation. Facilities for reaching the markets, as well as better methods of cultivation, told favourably upon agriculture. Grain began to be exported. Wool, coffee, tea, and oil-seeds, were the most important new items in the commercial list. The trade with India was and is a most important one to Great Britain; commercial movements tended throughout to augment.

The most important settlement of the English in Further India was Singapore, on an island of the same name, described as "The Paradise of India, the home of plenty, and the abode of health." Singapore became a British possession in 1819. It was the seat of government of the Straits Settlements, a new colony, which included Penang and Province-Wellesley, and made rapid progress, being the rendezvous of vessels in the Chinese trade, besides contending with Batavia for the commerce of the Eastern Islands, as far as the Spanish Philippines.

Dr. Karl Scherzer, in his "Narrative of the Circumnavigation of the Globe, by the Austrian frigate *Novara*, in the years 1857, 1858, and 1859," vol. ii., says:—

“Singapore, from its singularly favourable geographical position and the liberality of its political institutions, has made such a stride as is entirely without parallel in the history of the world’s trade. From a desolate haunt of piratical foes the island has been converted into a flourishing emporium.

“About a thousand foreign vessels, and fully three thousand Malay prahas and Chinese junks flit backwards and forwards annually with all sorts of merchandise and produce, while the value of the other goods annually exchanged here amounts to about £11,000,000. Such is the change that has come over the old unhealthy, ill-omened Malay pirate abode—thanks to a clearly-defined policy. If a doubt should still obtrude itself as to these brilliant results of the utmost freedom and absence of restriction upon trade, it must give way before the spectacle presented to the view of the astonished beholder in the harbour of the Alexandria of the nineteenth century.”

And the Liverpool Reformers ask :—“What is the secret of this wonderful metamorphosis?” Simply the fact, that at Singapore, as Mr. Tennant says, there are no import or export duties—no taxes upon shipping.

Rangoon, the capital of British Burmah, took also a very considerable place, exporting raw cotton, drugs, grain, hides and skins, oils, seeds, and timber, to the value (in 1863) of £1,400,000, and more than double that amount in 1865, and importing textile manufactures, machinery, metals, and jewellery of an annual value approximating to a million sterling.

An exclusive trade with China was formerly included in the privileges of the East India Company, and was regarded as part of the Indian trade. Since commercial intercourse became free, however, the China trade, as well as that of Japan, developed so rapidly as to demand a separate notice.

Australia.—This vigorous scion of the British empire began its commercial history in the present century. Under the general designation of Australia are included the colonies of New South Wales, Victoria, South Australia, Western Australia, Queensland, Tasmania, and New Zealand.

Before the gold discoveries, wool was the staple export, the fine pastures, especially of the south-eastern region, being wonderfully adapted for the rearing of sheep. These animals multiplied so fast, and the wool was of such excellent quality, that it alone would make Australia important. This source of supply rapidly became the mainstay of the British woollen manufactures. The table below shows the progress of the imports of Australian wool into England:—

In the year 1807	.	.	.	.	.	250 lbs.
„ 1820	.	.	.	.	.	100,000 „
„ 1835	.	.	.	.	.	4,000,000 „
„ 1840	.	.	.	.	.	12,000,000 „
„ 1860	.	.	.	.	.	59,166,616 „
„ 1870	.	.	.	.	.	175,081,427 „
„ 1885	the large total of about					253,363,829 „
of a money value of £11,969,080, was received into						
England.						

Cotton culture was introduced into Queensland under the stimulus of the scarcity of the American fibre, and soon Australian cotton rivalled the “Sea Island” growths. Rich mines of copper early rewarded the enterprise of the colonists of South Australia, but it is only since 1851, when the gold-fields of New South Wales and Victoria first offered their attractions, that the population increased to an extent which made Australia worthy of the name of a southern empire.

The advance of these colonies *in the aggregate* is proved by the commercial returns over a series of years:—

DATE.	IMPORTS.	EXPORTS.	TOTAL.
1852	£8,086,225	Specie £5,346,090 10,177,270	£23,609,585
1859	£26,567,690	£15,523,360 Specie £9,944,261 12,185,942	
1865	£32,452,557	£22,130,203 Specie £18,172,422 12,226,136	£48,697,893
		£30,398,558	£62,851,115

Australian commerce continued to be almost confined to the mother country, and to the intercolonial trade. Foreign trade, as compared with the British, could scarcely be said to exist. The tastes of the colonists were inherited from home, and there was scarcely a constituent of the industrial produce of the United Kingdom but formed an item in the Australian imports. Gold and wool continued to be the chief exports, the latter being still the *staple*.

Melbourne was at the head of the Australian capitals, and also the depôt for the important colony of Victoria. Besides wool and gold, its *staples* were hides, skins, cattle, horses, sheep, flour, and tallow. It early possessed some manufactories of different kinds, founded upon its agricultural industry; and an external trade, considerable in amount,—the imports and exports in 1885 reaching nearly £35,000,000,—and comprehensive in area, being conducted with the United States, the commercial States of Europe, Peru, China, Suez, and the Pacific Islands.

Sydney, the principal port of the colony of New South Wales, increased annually in industrial importance. For example, the manufactories and other works of this colony, which numbered 1768 in 1863, rose to 2133 in 1866. Both its trade and industries partook of the character

common to Australia generally. Of a special nature were the great establishments for boiling down tallow, the salting and meat-preserving works, and copper smelting. This period showed great advancement in the engineering works, gas works, type foundries, docks, and steam vessels of Sydney.

The following figures give the position of the colony before and after the separation of Port Philip, now Victoria, in 1851, and that of Queensland in 1859 :—

	1850.	1865.
Quantity of Coal raised .	7,126 tons	585,525 tons
Wool exported	32,361,829 lbs.	18,764,482 lbs.
Gold		682,521 ounces
Value of Imports by Sea	£2,078,338	£10,635,507
„ Exports	2,399,580	9,563,812

Adelaide, the port of South Australia, shared the growing prosperity of the British possessions in those parts. Its trade which in 1860 reached only about £3,000,000, nearly doubled itself in the next decade. Its *staples* were bread-stuffs, wool, copper, and lead.

Albany, the chief commercial town of Western Australia, was the least developed of the colonies of the southern hemisphere, yet only inconsiderable when compared with the great neighbouring colonies of New South Wales, Victoria, and Queensland.

Brisbane.—The colony of Queensland, of which Brisbane is the capital, presented, even for Australia, a remarkable example of rapid development. The imports rose in eight years (from 1860), 150 per cent., and the exports were even more rapid, rising in the same period 200 per cent.

Hobart Town.—Tasmania exported, through Hobart Town and Launceston, butter and cheese, flour, fruits and preserves, grain, horses, sperm oil, potatoes, timber,

and wool. The wool was almost wholly sent to Great Britain, the rest of the produce to the neighbouring colonies. The imports into the colony were of a like kind to those of Australia, already enumerated. The gold discoveries caused the older colony of Tasmania to be comparatively deserted, and population and trade gradually diminished during the close of this epoch. As an example, the tonnage employed in the British commerce was 271,459 in 1852, and 204,494 in 1865. The highest value reached by the imports was in 1854, when they amounted to £2,604,680, from which point they had sunk in 1867, to £856,348, increasing another million during the next two decades. Of exports, the highest value was attained in 1852, amounting to £1,509,883. In 1867, it was only £790,494, but these also rose in the same period to a million and a quarter. Hobart Town used to be an important station of the southern sperm-whale fishery.

New Zealand.—These islands imported through their chief ports of Auckland, Dunedin, Nelson, Wellington, and Lyttelton, British manufactures and other produce, as well as animals for stock, and Australian commodities. The exports comprised the staples of wool and gold, and the secondary products of kauri gum, copper ore, timber, and potatoes. A very limited intercourse was carried on between some of these ports and the United States and Chili. The progress of the New Zealand Colonies, though much disturbed by conflicts with the aborigines, was rapid, every year exhibiting a marked increase.

CHAPTER IX.

RUSSIA FROM 1790-1885.

RUSSIAN industry and commerce, so remarkably developed by Peter the Great and Catherine II., underwent a period of vicissitudes during the wars from 1787 to 1815. Corn had already become an important Russian product, and had been supplied to most of the states of Europe. While these states were involved with France in war against England, they dared not send their ships to Russia, on account of the English power at sea. The whole Russian trade therefore fell into the hands of the English, who supplied other countries as well as their own with Russian corn. Such exclusive possession of the trade extended greatly the use of English fabrics and other British products in Russia. Catherine's reign was distinguished by the acquisition of the Crimean and Black Sea provinces, with southern harbours convenient for the grain trade. Cherson and Odessa started on equal terms as Russian ports, but Odessa took the lead, which it has since kept. Besides being entrepôts of grain, both cities entered upon an active commerce of their own, and opened up intercourse with Marseilles, Leghorn, and Genoa. A profitable and busy trade was carried on at St. Petersburg and Riga. The smaller Baltic ports of Reval, Mittau, Habsal, Helsingfors, and Wiborg also assumed considerable commercial importance. Archangel, on the White Sea, the first Russian port that traded with England, lost its commercial position after St. Petersburg was founded.

The commercial dealings of Odessa were at first small compared with those of St. Petersburg and Riga. Its prosperity began with the peace in 1801, after which for some years its trade was very extensive. A change followed as soon as Russia again took up arms against France in 1805. As a condition of the Peace of Tilsit, two years later, Russia was constrained to renew the continental system (discontinued since the death of Paul in 1801), and to prohibit British goods, a state of things worse for the trade of the country than war. The injury after five years' endurance grew insupportable, and the neglect to enforce the system brought about the memorable invasion of Russia and the burning of Moscow. While in alliance with England, Russia was supported by subsidies from this country, amounting, between 1789 and 1815, to the sum of £5,250,000 sterling. Impoverished by the war, and most of all by the sacrifices demanded in 1812, when Napoleon invaded the country, the finances were ruined, and depreciated paper issues deranged all mercantile affairs. Peace, however, brought rest and prosperity. Between the years 1815 and 1820, England and Russia were drawn into closer relationship. Each country needed the products of the other. The rude but boundless resources of the Russian Empire supplied materials for British manufactures, while England in return contributed the products of her skilled labour. Timber for shipbuilding and grain for food found outlets in the Baltic, and year by year the ports of the Euxine shared more largely in the trade. A recurrence of bad harvests in the years 1816 and 1817 created a demand for Russian corn from every part of the Continent, by which Odessa was greatly enriched. The Russians thought this exceptional prosperity would endure; their demand for foreign manufactures continued after the productive fields of Europe had resumed their normal fertility and the demand for Russian corn had fallen off. In the face of such clear evidence that the Russians, who have the credit of being keen bargainers, wanted these commo-

dities, an outcry was raised that foreign competition was injuring the country. Immature industries forced into being by Peter, were probably giving way before the better and cheaper productions of England. An ukase* was consequently issued by the Czar in 1820, imposing heavy duties upon almost every foreign product admitted into Russia. This stopped importation, and rewarded political intervention with bad and dear goods of native make, in lieu of cheap and good ones from abroad. Under this protective system Russian manufactures made actual but not relative advances. Moscow and its outskirts were the chief seats of industry, especially of the spinning and weaving of cotton. Fabrics of cotton and of half cotton, of silk, and of half silk, woollen cloths, and stuffs, linen and sail-cloth, were recognised productions. Other provinces besides Moscow, notably the governments of Vladimir, Nijni-Novgorod, St. Petersburg, Saratov, Tula, Kaluga, and Kostroma, engaged in active industries which trace their origin to Peter I., who established, partly at the public expense, a cotton, woollen, and linen manufactory in each of the governments of his empire. Cashmere shawls well imitated in the factories of the government of Penza, fetched high prices. Fine linen was not a successful manufacture. Russia leather, fragrant with the extract of birch, was prepared in the environs of Moscow. Imperial cannon foundries, situated near Tula, where there were also many iron and steel works, constituted it "the Sheffield of Russia." Metal and platinum works were a staple industry in the mining districts of the Ural. Zlataust, in the government of Ufa (lat. $55^{\circ} 11'$, long. $59^{\circ} 38'$), was a great centre of these industries. Glass manufactories, although chiefly located in the government of St. Petersburg, were also found elsewhere. Pottery, saltpetre, potash, soap and candle-making, sugar-refining and the extraction of sugar from

* Pron., *oukaz*.

beet-root, tallow-melting, and paper-making, were the other *staple* manufactures, all of which were protected.

In 1842 there were in Moscow, which, with the district around, fairly represented the progress of productive industry, 560 masters employing 40,168 labourers. Steam-power was used in 26 of the works, horse-power in 89, and water in 15. There were 20,424 looms and 1794 other machines at work, and the annual value of the produce was more than £5,500,000 sterling. In the vicinity of Moscow there were 497 manufactories, employing 37 steam-engines, 26,063 looms, and 55,894 operatives. The whole value of Russian manufactures at this date was about £30,000,000 a year. In 1860 the various branches of the cotton industry in Russia showed the following results: there were 1153 factories, 150,000 workmen, and an annual production of cotton fabrics to the value of £9,500,000. Russian calico was produced of a quality equal to English. At Moscow, Vladimir, and St. Petersburg the cloth was both woven and printed. St. Petersburg still confined itself to fabrics of the best quality, which were worn only by the wealthy, while Vladimir produced almost entirely cheap goods used by the peasantry. Moscow, the emporium of industry, as St. Petersburg of commerce, combined the two branches.

“An interesting history of the progress of cotton-spinning and cotton-printing, illustrative of the advance of Russia, is given in the Consular Report of Mr. Michel; from which it appears that spinning-mills were erected both in the old and the new capitals of the empire as early as 1824, but that no calico-printing works were established till 1830, when a Moscow merchant of the name of Pittoff erected the first. Sparing no expense, he engaged the services of Schwartz, a celebrated dyer of Mülhausen, who brought the works to an excellence equal to those of Alsace, taught the workmen the newest processes, and kept the factory supplied with every new improvement. Most of the

cotton-mills of Moscow have been started by a single firm, which still maintains a form of paternal control. This firm orders the machinery, buys the raw material, and engages the overlookers and managers, who, they stipulate, shall be British. This predilection is very common in Russia. At Abo, *Scotchmen* build steam-vessels for the Russian Government. At Tammerfors large spinning-mills have been started conducted by *English* firms. At Helsingfors and Fiscars, Englishmen manufacture cutlery from native iron, and English capitalists also work the mines of Finland."

Russia also manufactured porcelain, furniture, agricultural implements, carriages, pipes, matches, bricks, leather, oil, and gas.

Russian staple exports to the United Kingdom were grain, flax, and hemp, timber, potash, iron, copper, tallow, candles, linseed, hemp-seed, tar, rags, horse-hair, wool, goat's-hair, cordage, pelts, hides, furs, feathers, leather, isinglass, bones, and various other materials.

The nature of Russian produce has but little altered since the beginning of the commercial history of the country, but the quantity yielded has materially increased. Russia is essentially agricultural, and grain, of various kinds, has always been an important export. In 1839 the total weight taken by different European states was 11,447,440 hundredweights, of the value of 59,000,000 silver roubles. The amount sent to England necessarily fluctuates with the yield of our own harvests. Rye was the chief cereal grown, little of which came to England. The wheat exports to England were on a most extensive scale, ranging from 3,000,000 hundredweights in 1857, to 14,000,000 in 1867, but during the later part of this period the quantity fluctuated extremely, not only on account of our English harvests, but by the increased importation of wheat from other countries. As an example the exports were in 1871 more than 15,500,000 of cwts., while in 1880 they fell to 3,000,000, but rose again in 1885 to 26,000,000; the trade was carried

on mostly by the southern ports. Of barley, oats, and maize, very large quantities were annually exported. Linseed was another valuable item, even more important than flax. In 1839 linseed to the value of 19,500,000 roubles was exported, while the flax fibre was unused. Wild rape-seed, strange to say, proved more profitable for trade than the produce of cultivated varieties. Hemp-seed was an important addition to this oil-seed trade.

Tallow was and is a very important export of Russia, more so perhaps than any other single commodity. It formed the basis of the South Russian trade, and many thousands of tons were annually exported. The tallow was principally the produce of cattle reared on the steppes. In late years the exports were chiefly made from the southern ports, though formerly, the trade was confined to St. Petersburg.

Iron and copper, produced in greater abundance than formerly, were however less exported on account of the increase in the home consumption. The exports of these metals were almost wholly from St. Petersburg, owing to its proximity to the mines.

Forests constitute an invaluable source of wealth. Timber and a variety of forest products formed a staple of export from Riga and Cherson, especially from the former, which received the produce of the woodlands of the Upper Dnieper, formerly sent to Cherson. The British timber trade was diverted to Canada during the early years of this period. Such, however, was the need of timber for ship-building and many other purposes, that the Russian trade has long since been restored, while that with Canada has also increased.

From the time of Peter the Great, every Russian ruler has displayed great anxiety to possess a powerful navy and a large mercantile fleet. This ambition has been rewarded with comparatively few merchantmen, but with war ships, most formidable in appearance, upon which the Emperor Nicholas spent enormous sums, and which his successors

have not neglected. In 1837 the number of vessels entering Russian ports was 5620, of an aggregate burden of 935,538 tons; of these, only 1045 were native vessels, the rest being foreign, chiefly British. The total number of ships visiting Russia in 1869 had increased to 10,349, of a burden of 1,331,766 tons, and these numbers since increased. Of these vessels 2020 were British, and only 1377, or less than one-seventh, Russians. In the Black Sea the proportion was considerably lower. This unfavourable result is due doubtless to the small extent of coast available for training the Russians to maritime habits. The Arctic coast is ice-bound for the greater part of the year; while the Baltic, the Black Sea, and the Caspian have but a small extent of coast compared with the immense area of the empire. Trade even at the ports continued to be conducted by foreign merchants, chiefly British and German, settled in the country under the name of "foreign guests," without being subjects. Not merely on the frontiers, but even in Moscow there were found wealthy residents of this class, whose connections abroad enabled them to extend credit to the Russians, and also to render valuable service as agents for the extension of commercial relations. The inland river-traffic and the coasting trade were carried on exclusively by the Russians themselves. Few ships were used for these purposes, but innumerable boats and rafts of timber.

St. Petersburg engrossed half of the foreign trade. It supplied Moscow and the interior with foreign commodities. This was owing, not so much to its position, as to the fact of its being the capital, and thus attracting foreign merchants to reside in it. The English quarter is one of the finest parts of the city. Next to Britain, France, Germany, and Holland ranked in order of importance in the Baltic trade; Turkey and Italy in the Black Sea trade.

In consequence of the disparity of value between Russian imports and exports there was a constant flow of specie

into the empire. This gave the country great command of ready money, and gradually reduced the amount of paper in circulation (which, however, would have been much sooner accomplished by the profits on unrestricted trade), until the two were brought into correspondence with the requirements of commercial intercourse. This effect was aided by the produce of gold and platinum from the Ural mines, which before the discoveries in California and Australia was of considerable importance to Europe.

The Crimean war was a heavy tax upon the resources of Russia. It not only stopped the profits of trade, but consumed the accumulations of specie. Since then several thousand miles of railways absorbed a great deal of native capital, besides rendering foreign loans necessary. The principal railway was that connecting St. Petersburg and Moscow, four hundred miles in length, and straight throughout. Railway investments, unlike war expenses, are, however, reproductive, opening up the country to the pursuits of commerce and stimulating industry.

Russia possessed an overland trade with Asia, of which Astrakhan remained the emporium. This is destined to expansion when railways unite Eastern and Western Russia. A treaty of commerce was entered into with China in 1861, and Russian factories have been erected at the mouth of the Amoor. "The Russians are the greatest tea-drinkers in Europe, and the tea brought overland from China is said to retain its flavour better than any that is sea-borne. Traveling dealers buy up the stores of bristles, rags, and native produce, prepared for them by the peasants, and transport their stock to the seaports, the frontier towns, or the great fairs for sale. Moscow is the great inland entrepôt for merchandise thus collected. Much interchange is carried on at the annual fairs, the greatest of which is that of Nijni-Novgorod, the centre of the magnificent system of Russian rivers. Merchants from every part of the Old World, and even from the New World, visit this fair during the two

months of its continuance, and goods to the value of several millions sterling change hands."

The vast regions of Asiatic Russia are as much behind-hand in commerce as in population; and a wide extent must remain for a long time to come productive of nothing except for animals.

Western Siberia continued to improve, being incited to industrial activity by the mines of the Ural Mountains, on the Asiatic slope, as well as by its more direct communication with Europe. The largest town of Siberia was Irkutsk. Yet, farther to the eastward, the territory on the Amoor, with the adjacent coast, stretching along the Gulf of Tartary and the Sea of Japan, formed a region in which Russian enterprise and settlement very rapidly extended. This region, which before 1853 formed part of Chinese Manchooria, possesses great natural capabilities, and gave good cause to hope that it would occupy an important place in the development of Russian trade on the Pacific.

Southern Russia possesses an extreme climate, the summer being hot enough to ripen the produce of the warmest parts of Europe. It was hoped that by the acquisition of the fertile territories of the Caucasus, the empire would be enriched with the varied products of silk, cotton, wine, rice, saffron, madder, cochineal, and southern fruits. But military occupation proved very unfavourable to these expectations, and was so distasteful to the brave and hardy tribes of the Caucasus, that a chronic state of insurrection prevailed.

The Polish provinces of Russia possess vast capabilities, hindered in their development by misrule and political sufferings. They abound in soil of the richest fertility, which only slowly recovered from a century of neglect. The prey of contending factions, Poland became exhausted, and fell an easy prey, in 1772, to Prussia, Austria, and Russia. Since that date intermittent outbreaks, ruthlessly repressed, have marked the course of events

down to the year 1868. During the French wars, it was alternately overrun by the forces of Napoleon and of the Allies. In the intervals of tranquillity, German weavers settled in the country and improved the woollen manufactures. The Emperor Alexander showed a laudable desire for the pacification and progress of Poland, which for some time proved of benefit to the people. With the lapse of years, a sense of security and the desire for industrial reforms began to be once more discernible. Improvements were made in the breed of sheep, and as a result, Poland soon became an important wool-producing country. The woollen manufactures also expanded. Poland was rich in raw produce, and its manufactures, centred chiefly in Warsaw, were very varied. Exports of corn, flax, hemp, timber, turpentine, colza oil, oil-cake, raw silk, furs, bristles, hides, tallow, horses and cattle, glue, bones and horns, caviare, and other articles, were considered as staple products. Two-thirds of the trade was with Russia, and the rest foreign. In 1865 there were in Poland 3290 factories for the manufacture of cotton, woollen, linen, and silk fabrics, besides paper-mills, brandy distilleries, glass-works, and agricultural implement factories. A great wool fair was annually held at Warsaw, about the middle of June, to which the wool of almost every Polish district was sent. The river Vistula is navigable for purposes of trade between Warsaw and Dantzic, and large consignments of grain, timber, and wool by this means reach the Prussian Ports on the Baltic.

CHAPTER X.

SCANDINAVIA FROM 1790 TO 1885.

THE years immediately before the close of the eighteenth century were favourable both to Norway and Sweden, for by obtaining a neutrality they secured to themselves much of the carrying trade of the belligerents. English shipbuilding at that time demanded immense quantities of timber and iron, by which Scandinavia profited, for it was almost the sole source of supply. Sweden enlarged its commerce by trading to China and the West Indies. Induced in 1806 to engage in the war against France, she suffered severely, and subsequently, through a disastrous conflict with Russia, she lost Finland. A yearly subsidy averaging one million sterling, from 1804 to 1812, as a grant in aid of the war, together with the profits on British trade, contributed to save her from financial ruin. Norway, which, under the tutelage of Denmark, inclined to France rather than to England, lost in consequence its profitable trade in metals and timber, and thus, at the conclusion of European hostilities in 1815, both Norway and Sweden had retrograded.

The union between Norway and Denmark continued until the year 1814. The transfers of sovereignty that took place by the Treaty of Kiel, on the fall of Napoleon, were founded upon expedience rather than justice ; and, with the exception of the sacrifice of the Genoese, no piece of diplomacy was, at the time, more severely criticised than the conduct of England towards Norway. The whole system of diplomacy, however, was bad. Sweden, which had long held a moiety of Pomerania, was required, at the bidding of Prussia,

to evacuate Germany; and, in order to supply her with an equivalent, Norway was taken from Denmark. That this was distasteful to Denmark was only natural; yet in Norway itself the separation was forced upon an unwilling people, by the prominent agency of a British fleet. If subsequent events have belied the prophecies of more than one right-minded statesman who condemned, at the time, the British policy, it is mainly owing to the good sense of the Norwegian people. They had been badly governed by the Danes, though not so badly as Iceland. Nevertheless there was not only the promise of a constitution, but one had been actually drawn up when the separation was determined on, and this held good for the contemplated union with Sweden. It is one of the few "paper constitutions" that have, from first to last, worked efficiently; and it has been not only the bulwark of the Norwegian liberties, but the main source of their commercial prosperity. It abolished the hereditary aristocracy, with the exception of four titles in which a vested interest was claimed. The parliament (Storting) sat in two houses, but the Upper House was a select committee of the Lower. The elections were by two stages, the people at large nominating those who should elect the members. The Crown had only a suspensive veto, so that any bill which had been passed by three different parliaments became the law of the land. It is only by the most jealous vigilance that a constitution of this kind can be preserved; and, though neither the reigning king nor his predecessor ever acted otherwise than as constitutional rulers, it was very different with the first of the dynasty, the French ex-marshal, Bernadotte. More than once did he threaten to coerce the Norwegian Storting, and every time he was effectively resisted; indeed, the abolition of the native aristocracy was made in spite of his resistance. In Norway, then, we have an instance not only of a "paper constitution" working well, but of a union of two crowns under one king being compatible with the freedom and

prosperity of the smaller kingdom, if, indeed, Norway can be called such.

Within the period under consideration the wealth of Norway increased enormously, and if the population did not keep pace with it, the difference must in part be attributed to an extensive migration, especially to the United States. How thoroughly Norway is a commercial country may be inferred from the mere inspection of the map. With two or three exceptions, where mining operations have concentrated the inhabitants, all the Norwegian towns lie on the sea-coast; Bergen, the oldest and the most important of them, was once one of the Hanse Towns. For some time after the Union the chief trade of Norway was with Hamburg, heavy advances having been made by that city. At a later time it rested chiefly with England. The regulation of the forests and mines was, in the eyes of the government, a matter of special importance. Both the primary and the higher education were foremost objects of attention in Norway; and the University of Christiania had among its professors some of the most able men in Europe. Religious liberty was at that time at a lower standard than civil liberty. It was only within this epoch that a Jew was allowed to set foot in Norway.

The history of the union of Norway with Sweden is important as a political study. Notwithstanding the difficulties of getting two nations to live on terms of friendship and equality under a single king, amply illustrated by Austria and Hungary, in the Scandinavian kingdom, at least, they were surmounted. Still, the amalgamation of the two populations was political rather than social or commercial. There was as yet no approach to a common coinage, the Norwegian money not being a legal tender in Sweden, and the reverse. Equally different were the fiscal regulations, so far as they touched the great question of free trade. Equally different, too, the national characters—a fact which, to some extent, is explained by the histories of the two

countries. Sweden, royalist and aristocratic, has always been ambitious of what it has undoubtedly earned—military glory ; its victories, however, have been on land, the victories of skilful generals and brave soldiers, rather than those of bold captains and hardy seamen. Norway has always been naval rather than military. The government of the Laplanders of Finmark, who are subject to Norway, has been a successful example of the rule called “ paternal.”

In the united kingdoms of Norway and Sweden, as indeed in most States of Europe where the reaction from the forced activity of war laid industry and commerce nearly prostrate, a prohibitive tariff was adopted to encourage manufactures, and still remained in force through the fear that native industry would otherwise again die out.

In these countries few manufactures were carried on in large mills and factories. Linen was spun and woven in almost every house, and the aggregate produce was large enough to allow of exportation. Woollen stuffs were fabricated in like manner. All the members of families were engaged in industrial pursuits, especially amongst the peasantry in the north. The cheapness of ship-building materials promoted activity in the harbours of the Baltic, but not to the extent that might be expected, although a sufficient number of ships for home use and many for foreign sale were constructed.

Swedish iron was of such excellent quality that it stood its ground against the vast mining operations of Great Britain and Belgium and their possession of coal. The employment of wood in smelting the ore improved the quality of the steel, and its superiority for cutlery and various other purposes rendered the demand for it universal. It was exported to North America, the West and East Indies, the Levant, and Australia.

Navigation soon recovered from its depression, and again flourished far and near. The repeal of the Navigation Laws in England nearly doubled the mercantile marine in

Norway, so closely connected was the Scandinavian trade with that of Great Britain. The shipping interest exercised a vital influence upon the prosperity of Norway, and was managed with so much forethought and skill, that amid the commercial derangements of the nineteenth century there has hardly been an instance of bankruptcy among the Norwegian shipowners. An important trade in Norway ice, shipped principally from Dröbak, and for which England was the chief customer, sprang up about this time, and almost superseded an earlier traffic in ice from Wenham Lake in the United States. Sweden, on the other hand, competed with Canada for the supply of deals, the shipments of which from the two countries to England were almost equal in 1864, but in 1870 was in favour of Norway and Sweden. (*See Supplement.*)

A remarkable change of proprietorship and additional capital made very decided improvements in Swedish farming. Feudal tenure never prevailed in Sweden. Peasant proprietors held their farms, generally containing about three hundred acres, with right to a mountain pass and pasture in the summer, by what was called *Udal* right, a form of tenure which also obtained in Orkney and Shetland. The Udallers owned no superior over their holdings, and thus did not hold by charter or deed, but by simple act of tenancy or possession.

State aid was also given both to the agricultural and manufacturing industries, towards which objects the princes who last ruled the country personally contributed fifteen million rix-dollars, or about one and a quarter million sterling.

Sweden as well as Norway traded principally with the United Kingdom; Stockholm and Gothenborg being the commercial ports of Sweden; Christiania (the great port for timber) and Bergen of Norway. While shipping developed in the last-mentioned country, manufactures assumed increased proportion in Sweden. The staple exports from Norway were fish, shell-fish, cod-liver oil, ice, iron, copper,

timber, tar, and pitch ; while, in addition, Sweden exported cereals and wool. The imports to Norway consisted of grain, dairy produce and other animal food, wines, brandy, coal, salt, colonial produce, and woven fabrics.

CHAPTER XI.

DENMARK FROM 1790 TO 1885.

THERE was a great demand by England and France during the revolutionary period for the agricultural produce of Denmark, and that country was visited for some years by a prosperity as remarkable as that which it enjoyed during the American war of independence. But Denmark could not serve two masters. To satisfy one provoked the resentment of the other. In 1801, and again in 1807, Copenhagen was bombarded by the English fleet. On the first occasion the Danish fleet was destroyed, and on the second it surrendered. The temporary surrender of this fleet was demanded to prevent its falling into the hands of Napoleon. While thus yielding its navy to England, Denmark was compelled to shape its policy to the will of France, and to acquiesce in the continental system. Its commerce, which was its life, was thus doubly ruined, and some years elapsed before it was restored. Rape-seed, butter, grain, and horses were the first constituents of commerce to reach their former value, which they did by the year 1824. After 1838 the exportation of butter and cheese increased beyond all precedent; and such was the progress of this industry after the fertile provinces of Holstein, Schleswig, and Lauenburg were wrested from Denmark by Prussia, that the loss commercially did not show itself in the further trade returns. The exports to the United Kingdom from Denmark in 1860,—the last year when the German provinces were included in the returns, were of the value of £2,575,958; in 1861, £1,371,933; and in 1867,

£2,588,921. The average exports from the detached duchies were under a million sterling. Various branches of Danish commerce since the time of the French war were unable to again assume their former dimensions. Conditions are changed since the hardy seamen of this small kingdom were the carriers for a great part of the world. Self-reliant States have arisen in America, and England obtained the trade of which Holland deprived Sweden and Denmark. St. Thomas and St. Croix, the Danish colonies in the West Indies, were restored by the English at the peace, but they had lost their value with the loss of their use as emporiums. Their produce of sugar and coffee was hardly enough to supply Denmark alone, and these colonies became of so little importance to Denmark that in 1867 St. Thomas was sold to the United States for £1,500,000, the latter power making it a "territory" and securing it as a naval station for the West Indies. The China trade and that with the East Indies could not be resumed with profit. They had both been intermediate trades, the one to Canton for tea to supply the European markets, the other for Indian fabrics, the demand for which was being rapidly lessened by the cheapness of British machine-made goods. Serampore and the other Danish possessions in India were transferred to Great Britain in 1845, and the stations on the Guinea Coast in 1850.

"The *staple* national occupation of the Danes is husbandry. There is neither iron nor coal in the country, nor are there many raw materials for manufacture. Commerce is therefore confined to the produce of the field and of the dairy." The few textile manufactures of Denmark were inherited from the French Protestant refugees, who received a welcome in 1693, after their flight from the bigotry of Louis XIV. Beyond some coarse stockings and other woollen stuffs, and gloves, none of the produce was exported, but commercial prosperity brought luxuries in the form of foreign manufactures. Hardware, pottery, woollen and cotton fabrics of a much finer kind were imported. When reverses came,

the Danes resorted to the common practice of protecting their industry, and at the same time they rigidly checked illegal traffic. By such means woollens and cottons, although not enough for home consumption, and a great deal dearer than foreign goods, were produced by native hands that could earn as much, or more, in agricultural pursuits. Sugar refiners and brandy distillers were also similarly encouraged. Brandy distilling being in a great measure dependent upon agriculture, produced a surplus for export.

Schleswig and Holstein, before their severance from Denmark, possessed an important commerce, much of the Danish trade entering their ports. There were about three thousand vessels of thirty-six thousand tons possessed by the duchies, a larger number than belonged to the rest of Denmark. These, the fairest provinces, were absorbed by Prussia in 1864, and the small kingdom, which was before only a quarter of the size of Great Britain, was thus reduced to the limits of one province, that of Denmark proper, comprising the peninsular division of Jutland, and the insular divisions of Zealand, Funen, and the smaller islands. The tendency of trade since the political change was to concentrate itself at Copenhagen, where, as trade developed, as many as two thousand merchant ships not unfrequently entered in a week. Glückstadt was the capital of Holstein, a whaling station, but of diminishing consequence. In 1838 twenty-seven whalers were sent out, which captured thirty-eight whales, and 65,920 seals.

Denmark commands the entrance to the Baltic, and till the year 1857 suffered no vessel to pass the Sound without clearing at Elsinour and paying toll. This toll was computed to amount to 1,600,000 guilders, annually, and was impatiently endured by several states. Its origin was due to a bargain between Denmark and the Hanseatic League in 1348, whereby the former state became bound to erect and maintain lighthouses round the coast, and the Hanse to pay a passing toll. An agreement between the Danes

and the Dutch was signed in 1645 relative to these dues, and by long prescription the claim was yielded to by the Swedes, the English, and the French, who with the Dutch paid 1 per cent., while smaller states with less trade paid $1\frac{1}{4}$ per cent. upon the declared value of their merchandise.

CHAPTER XII.

AUSTRIA FROM 1790 TO 1885.

THE interval from 1790 to 1815 gave little scope to the productive industry of Austria. No other European state was so humiliated by the wars of that age. Austrian progress cannot be said to have begun until the peace of 1815.

The first stage of development lasted till 1830. Attention was directed to husbandry and mining, and to home manufactures founded thereupon. The Italian provinces, amongst the most productive by nature, were made more so by careful cultivation. Sheep rearing was energetically pursued in Bohemia and Moravia. Capital, diverted from wasteful war, was devoted by the landowners to the improvement of the breed of sheep, whose fleece soon yielded such excellent wool, as to give celebrity to the cloth manufactures of these two provinces. Glass, iron, steel, linen, cotton, and silk manufactures received the fostering care of government, by the levy of duties upon imports.

Austrian industry entered upon another phase about the year 1830. Home manufactures were in greater demand in the empire itself, and there was a continuous advancement in agriculture. Markets were found in Germany for the domestic produce, much of which was sent to the fairs of Leipzig and Frankfort. From the Zollverein, to which all the other German states had by degrees given in their adhesion, Austria, however, kept aloof, and in consequence, lost most of the German traffic ; but the beautiful glass of

Bohemia and various other manufactures continued to find favour even from the states of that commercial union. Beyond the confines of Europe, Austrian goods made their way eastward to Turkey and Persia, and westward across the Atlantic to the United States and Brazil.

In 1838, the Austrian government appeared to perceive that an extreme tariff did not benefit the country, and entered into a commercial treaty with the United Kingdom in accordance with which the duties were lowered, but to an extent so trifling that it only diminished the revenue without increasing trade. Foreign competition was maintained by the aid of smugglers, who supplied raw materials for manufacture and colonial produce. A good deal of wool used to come thus from Saxony, until stopped by that state joining the Zollverein. Illicit traffic still procured an entrance by means of the numerous islands and broken coasts of the Adriatic. Goods thus easily found their way to Hungary, where a lower tariff prevailed.

Austria was one of the first countries to construct railways. A steamboat service was established on the Danube, which only failed to create an enormous river traffic because a close monopoly denied it the wholesome stimulus of competition. Many new highways were also formed. Even in 1870, though railways crossed the country, the means of communication were scanty, compared with those of England, as instanced by the fact that while in England food cost about the same price in all parts of the kingdom, in Austria it varied widely in price, and was specially dear at Vienna ;—in later years the railway system greatly increased.

Before the year 1840, industrial improvement was everywhere visible. From 60,000 to 70,000 ozs. of gold, and more than 1,000,000 ozs. of silver were annually obtained from the mines, besides supplies of every other metal, of precious stones, and of coal. The forests furnished five and a half million loads of timber, besides potash, tar, turpentine, galls, and charcoal, and the vineyards produced

600,000,000 gallons of wine. Tobacco was raised to an extent yielding 300,000 cwts. of the cut leaf, 45,000 lbs. of snuff, and 200,000,000 bundles of cigars. The agricultural statistics of the same date give, of farming stock, 2,500,000 horses, 8,000,000 horned cattle, 30,000,000 sheep, and about 1,000,000 goats. Swine, poultry, and game were innumerable. Silkworms contributed 5,000,000 lbs. of silk for export, and 2,000,000 lbs. for home use. Between 50,000,000 and 60,000,000 quarters of grain, and nearly 100,000,000 bushels of potatoes, were annually raised. Of manufactures there were in Austrian Italy between 10,000 and 11,000 separate establishments, and in the Austrian states proper, exclusive of Hungary, nearly 14,000, and, generally, of greater extent. Austrian commerce nevertheless remained so much hampered by monopolies and tolls as to be quite inconsiderable for an empire of such vast resources, while salt, gunpowder, tobacco, and many other articles were retained as imperial or government manufactures.

The most absurd duties on woven fabrics were enforced ; on silk 20s. a pound, and on linens from 6s. to 12s. a pound. Similar penalties were exacted from those who indulged in coffee and sugar or other tropical produce. There were only between five hundred and six hundred registered merchant ships, exclusive of coasters. Trieste was chiefly favoured, as being Austrian, at the expense of Venice, which was Italian. Fiume, in Croatia, the outlet of Hungarian produce, and Ragusa, in Dalmatia, possessed their share of maritime trade. The exports to the United Kingdom exceeded half a million sterling in value, and had doubled in a few years. The imports from the United Kingdom were of about equal value.

Austria suffered heavy losses during the industrial derangements which began in 1835 and lasted over several years. Vienna, the commercial as well as political capital of Austria, was peculiarly injured. Much of its business was in government securities and in exchanges. The fall

in value of all property of this kind resulted in a ruinous loss to individuals, and in general inconvenience.

Details of Austrian Manufactures.—Linen was an ancient industry which even in the fourteenth century supplied the markets of Italy and Constantinople, as well as home requirements. Bohemia and Silesia produced linens of the finest quality, and coarser kinds were woven in the southern provinces. The inferior fabrics were mostly for home consumption, but the finer were sought for abroad, being consigned to Hamburg, and thence despatched to America. This commerce flourished until the promulgation of the memorable Berlin Decree, the pernicious effects of which were felt in the immediate decline of foreign intercourse. The number of Bohemian flax spinners fell from 320,000 in 1801, to 40,000 in 1819, and linen yarn, owing to the absence of demand, suffered a great fall in value. Between 1820 and 1870 the industry revived. It employed many hands in Bohemia, and resumed its position in commerce. Machinery was imported from England, and the quantity of yarn, as well as of finished cloth produced, greatly increased.

Cotton.—The cotton manufacture was, to a small degree, an early industry, carried on in the lower regions of the river Enns, near its confluence with the Danube. Bohemia took but little part in the fabrication of cotton cloth, but had a large share in the business of calico printing. Cotton grew in favour as a material for clothing, when machinery was brought into use, so that in the year 1840 the weight of raw cotton worked up for home consumption was 29,000,000 lbs., a quantity exceeding that which was demanded by the rest of the Continent, with the exception of France, and nearly three times as much as was required for the manufactures of the Zollverein. Many mixed fabrics of linen and cotton were made towards the close of this period.

Woollens.—Brunn, the “Austrian Leeds,” the capital of Moravia, stood as the centre of the woollen industry. There

were also large factories in Bohemia. Coarse goods were made in several other places, a considerable quantity of which was exported as soon as railway communication with the northern ports was completed. Switzerland and Italy were early buyers of the superfine cloths of Moravia. The fine quality of these fabrics was due to the skill and industry of weavers from Verviers, induced to settle in Moravia on account of the numerous flocks, whose improved and valuable fleeces afforded a ready supply of the best wool.

Silk.—Silk-spinning and weaving were early pursued in Austrian Italy, and in the province of the Lower Enns. Silk-worm rearing was spread over a wider area. Before the cession of the Lombardo-Venetian kingdom to Italy, this industry had made much progress. France depended upon these Austro-Italian provinces for supplies of reeled and raw silk, and the introduction of the Jacquard loom had raised the silk manufacture to one of national importance.

Leather.—Tanneries abounded throughout the Austrian territories, especially in Hungary. For the quantity of leather produced, the province of the Lower Enns, and still more Vienna, situated therein, stood eminent. The leather manufacture was promoted by the abundance of cattle. The produce, great as it was, did not, however, furnish enough for home requirements.

Glass.—Bohemia kept its lead in glass-making, and was not surpassed in the beauty of its wares by any country in the world. The manufacture, however, no longer confined to this province, quickly extended itself to the districts on the Enns, and to Styria, Carinthia, and Carniola. While Austria held aloof from the Zollverein, the transport of these wares through Germany was placed at a disadvantage. Notwithstanding this, the exports had, in 1840, amounted to 6,000,000 florins. Russia formerly took a large quantity of Bohemian glass, but put an effectual stop to her enjoyment of such elegant works of art, by raising the tariff upon imports. Italian taste led to an opposite policy, which,

with the demands of England and North America, more than made up for the loss of the Russian trade.

A large variety of minor products of art distinguished Vienna and its neighbourhood, as *articles de Paris* did the capital of France. Amongst the chief were noted gold and silver articles, leather work, porcelain, watches, silk tissues and shawls, musical instruments, coaches, and various branches of the locksmith's art. The total value of these products reached but very little less than that of the corresponding industry of Paris.

Metals.—Relatively to other European States, Austria has gone back in the production of iron during the nineteenth century, owing to the dearness of wood-fuel, in comparison with the coal which has elsewhere been utilised in smelting ; still, iron and native steel are abundant, the works well conducted, and a good deal exported, though less than formerly.

Copper, where found, was manufactured throughout the empire, and much of the produce exported by way of Trieste. The most *distinctive* metalliferous ore found in Austria was that of quicksilver, the produce of which, from the mines of Idria, in Carniola, was only surpassed in quantity by that of Almaden in Spain. Transylvania, Hungary, and Bohemia yielded smaller supplies of this metal, the uses of which in chemistry, in the arts, and in manufactures, became so extended that its price, in spite of new and prolific sources of supply, very considerably increased.

Salt was worked in many of the provinces, and sea salt, rock salt, and salt from brine springs, saltpetre, alum, and Glauber's salt, or sulphate of soda, from saline morasses, obtained in abundance. Rock salt has been dug from the Wieliczka mine, in Galicia, ever since the year 1253, without making a perceptible diminution in the massive bed that extends for six hundred miles in the line of the Carpathian Mountains.

An extraordinary development of industry carried the empire through the loss of trade consequent upon the American civil war, with the stoppage of the cotton supplies,

and the loss of the Italian provinces, as the consequence of the wars with France and Prussia. The years 1862-3 are regarded as the most flourishing period of Austrian history. The care expended upon railways and improved locomotion bore abundant fruit so soon as fiscal impediments to free intercourse amongst the provinces had been removed, and inland smuggling had disappeared. The cattle and timber trade, and the beetroot sugar manufacture, assumed dimensions out of all proportion to their former extent. A service of trains from Moravia and Bohemia to the North German ports, and of fine vessels thence to the United Kingdom, was next adopted for the British division of the traffic in fat cattle. In 1867 there were in Austria 13,660,000 head of horned cattle, besides 3,390,000 horses, 46,600,000 sheep, and 8,000,000 swine; and the whole capital invested in the cattle trade was computed at more than thirty-six millions sterling. Of the cattle, 175,000 head, worth, on an average, £20 apiece, were exported for the most part to Great Britain and France. Forest produce in the same year was estimated at £7,000,000. Beetroot sugar had completely taken the place of cane sugar for home consumption, and was also exported to a large and increasing amount.

Raw materials and yarns for weaving were imported in 1866 to the value of more than 100,000,000 florins, and woven fabrics worth 16,500,000 florins, which not only provided for the consumption of the empire, but afforded a surplus of goods for export, within one-twelfth of the value of the original imports.

As an example of the wisdom of low tariffs it may be stated that the Danube Steam Navigation Company, in 1865, reduced its charges, and in the following year increased its receipts from 9,000,000 to 11,000,000 florins, or 22 per cent., while its expenses increased only 3 per cent.

The gross value of the exports of Austria in 1838 was 135,000,000 guilders. A normal tendency to advance, but at a slow rate, marked the subsequent import and export

trade, as illustrated by the following figures, in florins or guilders, of which ten equal one pound sterling:—

	Imports.	Exports.
1851 . . .	158,074,663	136,524,944
1861 . . .	232,732,554	310,687,250
1870 . . .	424,700,000	395,900,000

The year 1860 was the last in which the statistics of Venetia were included in those of Austria. It thus appears that Austria soon recovered from the commercial loss caused by the severance. The magnitude of this loss may be calculated from the statistics of Venetian trade. In 1861 the exports from Venetia to the United Kingdom were to the value of £527,946, and its imports from this country £230,814. During the next decade both items had but trivially increased.

Vienna remained the industrial centre of the empire, and the chief market for the national manufactures. Although severely tried by political reverses, the capital decidedly advanced in material prosperity. The export of manufactured goods nearly doubled between 1851 and 1862, and the production of fabrics approached nearer every year the quantity required for home consumption. Viennese leather work was much in demand in England, and neatly-made lucifer matchboxes, in immense numbers, were known all over the world.

Pesth, the capital of Hungary, and the depôt of the produce of that kingdom, secured by its situation on the Danube all the benefit of the commercial freedom and improved navigation of that river. There were manufactures of linen, cotton, and woollen goods, of machinery, implements of husbandry, chemicals, plated goods, glass, musical instruments, and paper, besides oil works and distilleries. "*Natural* produce and manufactured wares reach Pesth from every part of Hungary, for distribution over Austria and the Continent, and enormous rafts of timber, consigned to distant ports, float thence down the Danube." Pesth also possessed a trade in grain of all kinds, rapeseed,

fruit, wooden articles, bricks, stones, salt, potash, alum, iron, copper, skins, furs, and cattle.

Cracow, the industrial centre of Gallicia, situated in the midst of an agricultural district, was dependent thereon for its manufactures and trade. As it revived from the depressing influences of war its industrial works, of which the chief were the production of wax candles and chemicals, soap and vinegar, clocks, watches and jewellery, steam engines, machinery and agricultural implements, soon resumed their normal activity.

Lemberg, the capital of Gallicia, manufactured on a smaller scale the same classes of goods as were produced at Cracow, with which city it was connected by railway.

Prague, the flourishing capital of the productive province of Bohemia, and well placed for trade with both the German and Austrian states, with which it also enjoys excellent communication by railroad, stood next. The prosperity of the city was primarily founded upon its varied and extensive manufactures of textile fabrics, glass, porcelain, and other industrial products.

Trieste (Illyria), the principal port of Austria, was growing in importance every year. Its exports for 1851 were of the value of nearly £10,000,000, while its imports exceeded £12,000,000. It maintained regular steam communication with Venice, Alexandria, Constantinople, and the ports of Greece and Turkey, conducted by the Austrian Lloyd's Steam Packet Company. Westward it sent Austrian produce to Marseilles and Great Britain, and received in exchange much British, foreign, and colonial produce. Manufactures, similar to those of the empire generally, added to the resources of this prosperous town.

Ragusa, Gravosa, Fiume.—Ragusa (Dalmatia) is a sea-port town, the inhabitants of which are chiefly engaged in soap-works and shipbuilding. In the neighbourhood is the fine harbour of Gravosa. The trade of these ports remained small, the imports from Great Britain being little else than coal.

CHAPTER XIII.

GERMANY FROM 1790 TO 1885.

THE balance of trade against Germany during the French revolutionary period was considerable. From England alone the imports of the years 1795-97 were at the mean rate of £7,000,000 sterling against £4,250,000 of exports. A disparity of this kind would be rectified by the outflow of specie. Germany, not being a gold-producing country, would have been rapidly impoverished by such a circumstance, and trade would have tended to balance itself by a diminution of imports. The phenomenon is, however, explained by the system of subsidising the German states in time of war. England paid in subsidies, for the outfit of troops and other purposes, from 1793 to 1814, the sum of eighteen and a half millions sterling, shared by Austria, Prussia, Hanover, Hesse Cassel, Hesse Darmstadt, Brunswick, Bavaria, and Baden. Specie therefore came into Germany to flow out again; notwithstanding which, the first decade after the outburst of the French Revolution, 1789-1799, was a golden age to many of the German cities. These subsidies must not, however, be regarded as generous gifts, or as bribes from the British Government to enlist the material aid of German states, but really as the most economical means, in the estimation of England, of adding to her active forces and bringing war to the speediest conclusion; the circumstances of our country rendering the organization of an army comparable to the huge levies of the Continent quite impracticable. Hamburg and Brunswick received an accession of inhabitants from the families of the rich, who fled for their lives from France; and

when Holland, in 1725, was overrun by the French, many Dutch exiles brought their skill and fortune to Hamburg and Altona, by which means the business and wealth of these cities were materially enlarged. Through Hamburg colonial produce was introduced into the south-western states of Germany. Grain from the interior found an outlet by the same port, which was the commercial medium for a large and profitable interchange between Russia and Germany. Luneburg and Minden were likewise enriched by this Russian trade, and the trade in corn. Consequent upon this, activity wealth began to abound, wages rose, house-rent, cost of transport, and prices of commodities, all became higher. Capital accumulated and was lent at low interest, to the encouragement of agriculture and manufactures. Sugar refineries, distilleries, and chicory-mills—the last due to the taste for coffee as a beverage—were thus improved or established. Tolls levied at Magdeburg and a prohibition against the export of grain, both from this port and Halberstadt, prevented to some extent their growth in wealth ; but the vigour of the times overcame all obstacles, and even in these places manufactures of tobacco, chicory, sugar, and earthenware prospered. Leipsic fair came into greater prominence for the sale of Saxon wool, raw and manufactured, and of Lusatian linen. This city also possessed a flourishing transport trade, and did a good business in exchanges.

The transitory peace of 1802 filled Germany with illusive hopes. When the war commenced afresh in the following year, the trade of the Hanse Towns was cut off by France taking possession of Hanover, then dynastically united with England. Hamburg was also unable to trade direct with Great Britain, the source of its greatest profits, but held a circuitous intercourse by way of Denmark. Napoleon's continental system brought upon Germany still worse consequences. The most onerous oppression befell Prussia and Austria, for they had to maintain, during the years

1806 and 1807, the "Grand Army" of France. The weight of such a tax, imposed after Prussia had lost the battle of Jena, may be judged of when we bear in mind that cattle and horses and agricultural produce were very largely taken by the French, the Niemen districts alone being despoiled of eighty thousand farm horses in the single year 1812, and a war levy was made of £6,200,000, equivalent in Prussia to double the same sum in England.

Saxony and Central Germany did not feel the evil effects of the continental system so much as the maritime states. Their trade was before nearly confined to the home markets, which they relied upon now more exclusively. The Confederation of the Rhine, under Napoleon's protection, opened France to a good German trade, which was greatly stimulated by the incessant wants of his great armies. Saxony wool, improved by a cross between the Saxon and Merino breed of sheep, made beautiful cloth, which was in good demand. While it was possible to get raw cotton, the manufactures from that material also flourished.

On Napoleon's final overthrow the ports were once more open to shipping, and a busy traffic began. Hamburg, Bremen, and the other Hanse towns felt the beneficent change. The productive labour of Europe could not, however, revert to precisely the conditions which existed previous to the war. The German marts were filled with the manufactures of England, France, and Belgium, and with the raw products of foreign commerce. The German producers, on the other hand, had to find new markets, both for buying and selling, for they were superseded by England in their old spheres of business. Such markets were now open to them in Cuba, Hayti, Brazil, and the Spanish republics of South America.

British manufactures, which had improved in quality and diminished in cost, were the chief source of alarm to the forced manufactures of Germany. English cotton goods in particular gave no chance to those of the Germans, but the

German woollens were of such good quality that they were better able to withstand competition. Manufacturers of metals were wholly unable to hold their own against the influx of hardware and metals from England and Belgium.

In the war, Prussia had been the chief sufferer, and after the peace her industry was benefited more than that of any other state. There had been no embargo under the French rule upon inland intercourse, and France, commanding the trade of every state, had suffered comparatively little; the embargo was solely upon the ports. The problem for statesmen at this juncture was what policy to pursue to keep up the prosperity of their respective countries in the presence of industries sinking and dying, through the superior facilities of production enjoyed by England. When France was reduced to its ancient dimensions, and political relations with the Rhinelands was severed, there was no longer any community of interests between the two. Rhenish Prussia was, therefore, when France decreed protective laws, bereft of its commerce at one stroke. Prussia retaliated with the same weapons, and soon succeeded in decreasing her imports and obstructing the progress of all the states of Germany. Every state, large and small, followed the example. Tolls were levied upon goods at every frontier. The only limit to the exactions of the states was the chance of losing their whole transit trade; and with some of them this danger weighed but little. Saxony found its continental trade sink to nothing, and sent its cotton and woollen cloths, by way of Hamburg and Bremen, to the United States, Brazil, and the Spanish republics.

Manufactures could scarcely revive by such means as these. The produce of labour was consumed in each state and kept within this narrowest range of interchange. An excess of labour was expended in production; interchange, which sets the limits to division of labour, was retarded; competition, which stimulates excellence, was removed. There was loss at every stage of production, distribution,

and consumption. This loss was multiplied by the number of protected industries and of states "enjoying" protection, and by the number of years the system lasted. The effect of this policy upon England was the reflex of its effect upon the German states. From 1820 to 1825 complaints were loud and deep that the English demand for grain from Germany had ceased, owing to the prohibitory duties imposed upon foreign imports, a course resented by the Germans as destructive of what was to them their staple foreign trade. This resentment was with some show of reason mutual, for England felt it as much a grievance to be shut out from the German markets as Germany did to be swamped by British manufactures. From 1826 to 1830 England was obliged to admit foreign corn to avert famine. Most of the supplies came from Germany, and fetched a high price. The profits upon agriculture were so large during these years that it turned the attention of the Germans more than ever to that branch of industry, attracting investments of capital and raising the price of estates.

Germany was incidentally benefited by the separation of Belgium from Holland. For several years after the revolt, there being little commerce between the severed kingdoms, the Dutch sought in Germany many articles formerly obtained from Belgium. Cotton stuffs, and, more extensively, woollen cloths, from the Rhine-lands, were thus procured. Rhenish or Rhoer coal was another German commodity supplied to the Dutch, in increased amount every year. England, too, shared in the coal trade with Holland, which was entirely withdrawn from Belgium. Belgium, in turn, with independence, began her plodding industry, and required German wool for her manufactures. Saxony wool commanded an increasing market in England also, and was not excelled by the produce of any other pastoral country. Manufactures and agriculture improved in consequence, and the population, especially in Prussia, increased. Enlarged commerce caused the irksomeness of manifold tariffs

at length to grow unendurable. The smaller states envied Prussia her extent of territory, which enabled her to secure so large an amount of the carrying trade, while that kingdom had to employ an army of preventives at a great cost, and with but little effect, to guard the frontiers and keep down smuggling. An illustration of the vexatious complexity of German international law at this time is afforded in the publication of an edition of Goethe's works, to secure which from piracy throughout Germany the publisher found it necessary to seek a special privilege from thirty-eight different governments. Such hindrances to intercourse led to various efforts to unite the interests of the states, and thus simplify the working of the tariffs. Some trade stipulations had been made at the Congress of Vienna in 1815, but the first serious attempt at a customs union was made in 1819, and other efforts followed from 1823 to 1828; the great commercial league into which the smaller associations merged was suggested by Prussia in 1831, and on 1st January, 1834, its administration began under the name of the Zollverein, or Customs Union of Germany.

This famous convention settled a common basis of import, export, and transit dues, levied on its own frontiers, and abolished all internal customs and custom-houses. Free communication was established between all the members of the union, and the proceeds of the tolls, taken once only, were divided among the different states according to their population. Finally, a common system of money, weights, and measures facilitated commercial intercourse.

While the Zollverein was intended to develop the internal commerce and industry of Germany, the Rhenish West Indian Company, founded in 1821, provided a beneficial outlet for the foreign trade of the Northern and Western German states; and the Elbe American Company performed the same service for Saxony and Bohemia. The items of this commerce were, besides products of manufacture, ex-

ports—wool, corn, wine, wood, iron, lead, tin, vitriol, honey, wax, leather, horses, cattle, and bristles; imports—wine, spirits, fish, cheese, skins, tar, oil, tallow, leather, potash, iron, sugar, coffee, tea, cocoa, vanilla, rice, spices, drugs, cotton, and silk.

II.—THE ZOLLVEREIN.

Prussia first entered into treaty with Hesse-Darmstadt. The *Mittelverein* then became incorporated with the *Zollverein*. Bavaria, Hesse-Cassel, and Wurtemberg joined unwillingly, impelled thereto by the voice of their people, who looked upon the union as a step towards the realisation of their dream of a common Fatherland. Reuss and Schwarzburg, surrounded by the Prussian dominions, early adopted the Prussian system of tolls, and were amongst the first adherents to the new principles of union. Between 1831 and 1833, Saxony and the whole South German and Thuringian Union, formed upon the Prussian pattern, gave in their adhesion. Baden and Nassau, in 1835, and the free city of Frankfort, in 1836, entered the *Zollverein*. In 1841 Brunswick, and in 1842 Luxembourg, completed the league, which then included an area of 8,200 German or 175,000 English square miles, and controlled a population of 28,000,000. Austria, and the parts subject to Austria, together with the Hanse Towns, for various reasons declined to be members. Every constituent state of the *Zollverein* collected the dues on its own frontier, charging the cost of collection to the common fund. Many states delayed joining, in the belief that they would lose rather than gain, a belief which has doubtless proved correct. Others did not like to merge their individuality, trivial as it was, in that of the convention, and were encouraged in a sort of independence by England and France.

Prussia made considerable sacrifices in order to conciliate the numerous German states, whose predilections for

Austria, jealousy of Prussia, or fears of self-immolation, caused them to hesitate in joining the league. Thus, by the stipulation of proceeds according to population, Prussia should have received three-fourths of the tolls, but accepted five-elevenths. A census was arranged for every three years, and commissioners from every state were appointed to examine the result of each census, and to modify the details of the division of toll and other administrative matters, in accordance with the principles of the treaty of union.

This great measure of a customs union is to be regarded less as a work of high-minded statesmanship than as a skilfully devised piece of commercial machinery, to economise the collection, and to swell the sum, of the revenues of Germany. A new tariff of duties on foreign manufactures was issued, of a still more prohibitory character than had before existed, but raw produce suitable for home industries was admitted nearly or quite free of duty. England and France, sensible of the injury that might result to their manufactures, viewed the institution with dislike, and would have exercised a more powerful influence against it, had not public opinion in the German states pronounced in its favour.

The King of England, in the early years of the Zollverein, was also ruler of Hanover, which, as a consequence, was treated by the Zollverein in the light of a foreign power, and subjected to a heavy tariff, that put an end to the active trade it had hitherto enjoyed with the several states. Austria in the same way found herself shut out from trade with the rest of Germany. The loss was most serious in regard to the wares of Bohemia. On the other hand, the organization of the Zollverein laid Austria less open to loss from contrabandists, and so partially compensated the empire for the diminution of its legitimate traffic.

Hesse-Cassel, Hesse-Darmstadt, and the Palatinate profited by the union both in their husbandry and manufactures. Tobacco-planting was successfully introduced, foreign to-

bacco being kept out by excessive dues. Carpet and paper-making, woollens and leather, the principal industries of these states, were much developed, from the freedom of transit over a larger area.

Hamburg and Bremen, from their association with Hanover, declined to become members of the Zollverein, and thereby lost much of their trade ; notably that in foreign wines, which had been exclusively theirs, and which was now banished from Germany by prohibitive duties in order to encourage home growths. Both cities had extensive sugar-refineries ; but this commodity, too, was placed under a ban, because it was of foreign growth, and the refineries therefore lost nearly the whole of their German trade.

Political disturbances between 1848 and 1853 proved nearly fatal to the existence of the Zollverein. Austria desired to establish a prohibitive system throughout Germany, declaring that Prussia aimed at absorbing the minor states through the Zollverein. At the meeting of the German Diet in 1849, Austria urged that, for the carrying out of the nineteenth Act of the German Confederation, a common toll-union should be established for the whole of Germany and Austria ; she also expressed the desire that the other states of Central Europe should be allowed to join it, so that a market should be formed for at least seventy millions of consumers. Prussia declared that before these views could be entertained, Austria must first do away with her prohibitive tariff and the disintegrity of her various states, and then notified to the states of the Zollverein that the treaty of 1842 must come to an end on the 1st of January, 1854 ; intimating, however, explicitly, that she was ready to enter upon a new treaty. Prussia had already on her own responsibility formed a toll-union with Hanover, Oldenburg, and parts of Brunswick. In November, 1851, Austria, in her turn, abolished her prohibitive system by an unexpected stroke, established the protective toll-system, formally united herself with Hungary, and invited the other

German states to deliberate upon the principles of a toll-treaty. Prussia refused most energetically to join the meeting, declaring that she must first consult her old allies on the continuance and re-organization of the Zollverein, and that it was only after their deliberations that negotiations with Austria could be entertained. The smaller states were undecided as to which side to take. The old prejudices against Prussia were revived, the allurements and promises of Austria adding to the general discontent. At a special congress at Darmstadt they passed the resolution, (and notified it to Prussia), that at the approaching conferences on the reconstruction of the Zollverein, the admission of Austria and Hanover should likewise be discussed, adding that they (the minor states) had as good a right to negotiate with Austria as Prussia had with regard to Hanover. The negotiation opened at Berlin for the purpose of concluding another treaty consequently failed. Finally, Prussia issued an ultimatum, in which she declared that, if the German states could not meet her views, the Zollverein should cease. This unexpected decision created much excitement in nearly every part of Germany. The commercial classes demanded with one voice that the Zollverein, which had for so many years proved a blessing, should be upheld, and that, if there were defects or imperfections in it, they might be corrected. Happily, a meeting between the young Emperor of Austria and the King of Prussia averted the impending disaster. Prussia gave in on the main points, and agreed that a treaty with Austria should be concluded simultaneously with the renewal of the Zollverein. The treaty which Prussia had made with Hanover was afterwards formally adopted by the coalesced states, so that, from January 1st, 1854, the Zollverein included all the states of Germany with the exception of Holstein, Mecklenburg, Limburg, Hamburg, and Bremen. Austria and Lichtenstein, although not forming integral parts of the Zollverein, were in close connection.

The Zollverein, according to the Census of 1867, comprised a territory of more than nine thousand geographical square miles, with a population computed at over thirty-eight millions. After the realisation of commercial freedom, German industry increased in an unprecedented degree, and, to a certain extent, competed successfully with that of Great Britain.

The character of the foreign commerce of Germany entirely changed. Instead of exporting raw material only, she sent out the products of her own manufacturing industry, creating a market abroad, thus keeping her actively employed at home. The German woollen manufacture, too, recovered the ground lost in the Middle Ages, and its fabrics soon became a chief part of the Zollverein exports. The manufacture of cotton and silk made equal progress, although the materials had to be imported. The linen trade was not yet able to compete with that of England, but in steel and iron goods, in glass, paper, and silk manufactures, in pottery, stoneware, and porcelain, in chemicals, the refining of sugar and beer, Germany abundantly supplied her own wants, and yet reserved a surplus for foreign interchange.

“The foundations of the Zollverein are broadly and deeply laid, and Prussia has rendered herself illustrious by her firmness and constancy in those principles of national equity upon which commercial intercommunication between free and enlightened nations is now based.”

In the commercial treaty of Prussia with France, made in the name of the Zollverein, August 2nd, 1862, the thirty-first article runs thus:—“Each of the high contracting parties is mutually pledged to favour the other, and exercise moderation in the levying of entrance or departure tolls on objects mentioned in the present treaty, whether registered or otherwise. They hold themselves also responsible towards each other to place in force no import or export tolls, or prohibitory duty, which is not at the same time levied by other nations. The high contracting parties also pledge

themselves not to forbid the export of any kind of coal."

This treaty offended Austria, whose hopes of individual advantage were thereby frustrated. It was only the intensity of German desire for a united fatherland that prevented the dissolution of the Zollverein. In the end, by the Berlin treaty of the 8th July, 1867, the reconstitution of the Zollverein was agreed upon for ten years, to terminate 21st December, 1877. The great political changes that since united the whole of Germany, under the lead of Prussia, removed from the domain of debate all further question as to the continuance of the Zollverein. Yet we cannot fail, incidentally, to observe that Germany furnished indisputable proof of the benefits of free commercial intercourse. While broken up into many minor states, she thought to promote general well-being by the selfish isolation of each state and a multiplicity of tolls. Now, the truth is universally accepted, that no state suffered, and that each one benefited, by free intercommunication. The productive powers of the soil, the geographical limits of the country, the climate, and the general physical conditions, meanwhile remained the same; political relations only changed. These facts created a belief that the Zollverein would reap further advantages by the extension of its principles to other commercial countries, and during 1865 and 1866 the following treaties were negotiated:—

Country.	Came into force.	Continuance.
France	July 1, 1865	Dec. 31, 1877.
Austria	January 1, 1866	July 1, 1875.
Belgium	May 22, 1865	June 30, 1877.
England	July 1, 1865	June 30, 1877.

International treaties were also signed with Holland, Switzerland, and Italy. The effect of the provisions of the

Zollverein upon the nature and proportions of German commerce, may be gathered from the subjoined statistics of the state of trade in 1871.

IMPORTS.	EXPORTS.
Raw materials, 37 per cent. of value.	Raw materials, 17 per cent.
Materials for manufactures, 24 per cent. of value.	Materials for manufactures (unfinished), 12 per cent.
Perishable goods, 29 per cent. of value.	Perishable (agricultural produce, &c.), 19 per cent.
Manufactures, 10 per cent. of value.	Manufactured goods, 52 per cent.

III.—GERMANY (*concluded*).

Happily for the German ports, the coast-line of the country is too limited for any maritime harbour to be neglected. Hamburg and Bremen, even though not members of the Zollverein, were essential to German commerce. Independently of the additions from Denmark, there were only 140 miles of coast on the North Sea, 330 on the Baltic; and a natural trade outlet of 160 on the Adriatic in the south, making in all 630 British miles. Hamburg therefore necessarily continued to export many German wares, particularly woollen and linen cloths and metals. Bremen was the great port of departure for German emigrants, whose number created a profitable and continuous stream of trade.

Hamburg and Bremen, with no natural resources, no raw produce, being only commercial and manufacturing cities, had thus to combat the policy of the period. No higher testimony to the intelligence, activity, and business knowledge of the merchants of these cities could be given than that they kept their ground under such adverse circumstances, and even made advances in commerce and wealth. Obstructed at home and in other parts of Europe, their trade

crossed the Atlantic, where notwithstanding the competition of England and France—the former ever increasingly formidable—new connections were formed. Bremen obtained return cargoes for its emigrant ships from the ports of the West Indies. Hamburg, chiefly occupied in the German export trade, found freights, in exchange for manufactures, in the raw produce of Brazil and Cuba.

The great commercial depression in the United States, which began with the year 1836, checked the influx both of emigrants and manufactures; but bad harvests were coincident with the financial crisis, and these created a compensatory traffic in German corn, an extraordinary quantity of which was sent to America. In 1839 and the succeeding two years, when this demand had subsided, a renewal of the British demand, exceeding any before experienced, gave unexpected prosperity to Hamburg and Bremen, and enriched also the ports of the Baltic.

The trade in corn, nevertheless, varied with the harvest, the season, and the fiscal laws of the purchasing countries. Various causes tended to diminish the general exports of Germany to England, so that when the corn trade fell off the total commercial loss was very great. England began to be supplied with wool from the Cape of Good Hope and Australia, and the produce of Saxony was less in request. France made no increase in her demands for wool, and the trade after 1842 began to dwindle away. Linen yarn too, large quantities of which had been sent from Germany to England so late as 1825, was now produced in every part of the United Kingdom, though to a less extent in England than in Scotland and Ireland. Indeed, owing to the use of superior machinery, the state of the trade became reversed in a few years, and more yarn was sent to Germany than ever Germany had sent to England. The decline went so far at length that only a few minor commodities, such as linseed, rape seed, clover seed, and butter, showed an increased export.

German intercourse with Russia was at one time considerable, and formed an important element in the trade of Lübeck and the German ports of the Baltic. The manufactures of Germany entered the country by way of St. Petersburg, but owing to the severe restrictive policy of Russia, Germany soon ceased sending manufactures to St. Petersburg except a few silk stuffs and threads. A small quantity of wine, sugar, coffee, and other colonial produce, was sent, likewise, chiefly by Hamburg. During the Crimean war, Prussia became the great highway of interchange between Russia and the belligerents. Nevertheless the export trade was difficult, while imports were in such demand that the exchange against Russia more than compensated for the enhanced cost of transit of its own raw produce to the Baltic Prussian ports. Many consignments to German houses of goods destined for Russia were made from England and elsewhere, and Russian produce passed through Prussian ports to the Atlantic States of Europe. A smuggling trade was actively pursued on the common frontier of the two nations.

Trade with Norway and Sweden was of meagre extent and almost confined to consignments of East and West India produce. With Denmark, no port, save Hamburg, held trade communication, there never having been a commerce of any moment between the two countries.

German commerce expanded, as we have already seen, by the transfer of the Dutch trade from Belgium. Holland took from Westphalia and the Rhenish provinces fabrics of linen, cotton, wool and silk, coal and hardware; and also grain, hemp, rape seed, oak-bark, timber, and other produce of the soil from Central and South-West Germany. When peace was restored between the two divisions of the Netherlands, the Dutch demand diminished for a while; but in the course of time it more than regained its original dimensions.

Germany might have studied the economic effect of restrictive laws by the light of its commercial relations with

the Spanish peninsula, the great mart for German linens throughout the eighteenth century. The Iberian kingdoms, having neglected their home industries, were in the same position as those northern states in which new industries were but just established. Protection brought about a cessation of imports from Germany. England, possessed of Gibraltar, evaded the law by wholesale smuggling. Germany had no such facilities. If the policy of the Zollverein were to provoke retaliatory laws, and foreign trade were to cease, as in Spain, the resulting advantage to native industry would be dearly bought indeed.

In Italy, Saxon cloths found ready buyers at Leghorn, and linens of German manufacture pushed their way into Naples and the Papal dominions, although almost shut out by high duties, and by having to pass through the unfriendly territories of Austria.

Commerce between Germany and the Levant, at one time important, decreased. Saxon cloths were the chief item of export, and their excellence gave them an advantage over even British cloths.

A reciprocal ill-feeling between Belgium and the Zollverein in 1842, led to the imposition of high duties upon their respective raw and manufactured products. This plan was tried for two years, when it was superseded by a treaty of commerce in which mutually advantageous concessions were made, and which has worked well.

German progress was seriously affected by events in the middle of the nineteenth century. A great part of the Continent was in a state of revolution in 1848, and Germany was so violently disturbed that industrial labour almost ceased. Political commotions bearing on German unity, the war in 1857 between Prussia and Austria, and the cession to Italy by Austria of the Lombardo-Venetian kingdom, in turn inflicted heavy blows upon industry and commerce. The vitality of Germany, however, soon overcame these drawbacks. Petty jealousies stood in a fair way of yielding

to a spirit of nationality, and a tendency towards both political and commercial freedom was manifested. We may trace to the co-operative spirit of the Zollverein the rapid development of Germany. By keeping up free intercourse amongst the states, it became necessary to improve continually the means of communication, with a view to cheaper and quicker transit. By the formation of a railway system connecting every part of the Confederacy, foreign trade was made as easy for distant inland districts as for maritime towns. The railways of the adjoining countries equally promoted foreign trade. One result of the junction of the railways of Germany and Belgium was that Ostend obtained an accession of business, and was used by the Germans almost as one of their own ports. The same result of sharing in the traffic of Germany was at this time looked forward to by the Dutch, consequent on the near completion of *their* railway system. "Nature has provided Germany with a splendid river system, and art has adapted the water-courses to navigation." An immense number of steamers navigated the Rhine and other rivers, and the freedom of Dutch trade enhanced the value of this means of traffic. A great part of the colonial produce consumed in Germany, reached the interior by the rivers,—the mouths of which are in Holland,—whither it was brought by Dutch merchantmen, and sold at auction by the Netherlands Trading Company. Cologne, Dusseldorf, Mainz, and Elberfeld, along the Rhine, flourished through this trade, which was of greater importance probably than that brought into existence by the railways.

Holland, enjoying the prestige of an old commercial nation, contested with the Germans the same routes and constituents of trade. Holland obtained coffee from Java, Hamburg from Brazil, and the supply kept pace with a yearly increasing demand. The German ports were equal to the occasion, and far from declining, as was predicted, their trade expanded.

Among the Germans, the great desire was to depend more upon excellence of workmanship, and less upon artificial tariffs, for the extension of trade. Science came to the aid of the handicraftsman's skill. German chemists threw new light upon agriculture, and increased its products of food and fibres. They also placed Prussia amongst the foremost countries for the brightness and purity of its dyed cloths. Distillation was extensively carried on, and beetroot sugar, of which only 5 lbs. per head were consumed in 1850, rose in manufacture to quantities admitting of double that consumption. Mechanicians contributed to the improvement of machinery, and endeavoured to make its manufacture possible at home. Journeys to England, France, and Belgium were undertaken for this purpose; and English factory foremen were attracted by high pay to take the management of German establishments. A marvellous impetus was thus given to the cotton manufactures. Spinning factories increased in size, and new ones were erected. The manufacture of silks underwent a surprising development since 1840. Mining grew into a very important industry. Iron to the value of £6,500,000 sterling was smelted in 1861 in Prussia alone; and in 1865 the value had risen to nearly £9,000,000, owing to the increased demand for railways and for machinery. At one factory in Berlin a hundred and forty-two locomotives with their tenders were turned out in 1865, making two thousand constructed by this firm. "Grain, the foundation and mainstay of German commerce, has never been, since the repeal of the Corn Laws, an intermittent but a continuous and expanding export. Cattle-farming is not less flourishing and progressive."

Seeds of various kinds, timber, hemp, bark, dye-stuffs, turf and fruit, wool, stone, lime, pipe-clay, coal, lead, zinc, and other metals found their way by the Rhine to Holland, accompanied by the manufactured goods of the larger Rhine towns. Return freights from the Netherlands con-

sisted of coffee, sugar, spices, tea, rice, indigo, cotton, exotic dyes, tobacco, drugs, madder, linseed, hides, tallow, herrings, train-oil, and tin.

An essential element in the prosperity of Germany at this time was her system of education, there being scarcely a province without a state school, for the special purpose of educating its pupils in the principles of trade or commerce ; so that when the young volunteer joined the industrial army of his fatherland, he was already equipped with educational arms of precision and prepared for intelligent labour.

The termination of the war between Prussia and Austria, resulting in the formation of the North German Confederation and the establishment of the preponderance of Prussian power, marked a new era in the commercial as well as in the political history of the German states. The condition of the chief trading centres will illustrate this fact.

Berlin was the greatest wool market of Prussia ; its industries being extensive and improving. The most important consisted of iron works, machine and carriage factories, coach building, cloth and silk manufactures, woollen, cotton, and linen and carpet making. Large imports were received from Hamburg and other parts of raw cotton, yarn, dye-woods, saltpetre, sulphur, pig-iron, oil-seeds, raw hides and skins, foreign woods, colonial produce, oil, resin, coals, and cattle ; the exports from the surrounding province of Brandenburg being cotton and woollen goods, chemicals, iron, steel, zinc, and wooden wares, corn, glass, beer, brandy, molasses, raw sugar, oil and oilcake, paper, pottery, porcelain, cattle, and printed books. The Bank of Prussia, at Berlin, founded in 1765 by Frederick the Great, transacted, previous to the Franco-German War, a vast monetary business, representing in 1866 the sum of £570,900,000. The net profit amounted to £450,000, of which rather more than £200,000 accrued to the Government.

Aix-la-Chapelle ranked high amongst the secondary industrial communities of Prussia, there being productive mines

of iron, zinc, and lead in the neighbourhood. Two coal fields existing on the Rhine had fifteen pits at work, from which coal was so readily obtained that the export to France appeared likely to supersede the supplies from the English mines. Many manufactures engaged the inhabitants, and this city being besides one of the chief commercial marts on the Rhine, imported goods by rail as well as by river from the Netherlands and from France.

Frankfort on the Maine, a centre of railway communications, remained favoured by the navigable character of the river upon which it is built. It carried on a monetary business, and manufactures of silk, cotton, wool, and linen, and a large trade in wine, skins, hides, and colonial produce.

Hamburg and *Bremen* were long the sole examples of free European harbours, and necessarily drew a large trade. They ceased to be free cities, as a consequence of the Austro-Prussian war. The position of Hamburg as a trading port was invaluable to Prussia, and its commercial ascendancy was ensured rather than destroyed by these political changes. Although this city possessed valuable manufactures, its wealth mainly depended upon its business as a transit port. Freedom of trade was therefore essential to its prosperity, and hopes grew that this would be secured as well as to the neighbouring port of Bremen. Hamburg enjoyed a large mercantile marine of its own, and carried on an active trade with every part of the world. It stood as the grand outlet of German produce, a branch of its commerce which, with one system of tolls as well as of money, weights, and measures throughout the Confederation, gave every promise of rapid extension. Its commerce with the United Kingdom was also very extensive.

Kiel, situated upon a splendid harbour, had, while it was the port of a small duchy, none of the chances of development which it obtained by its incorporation with the Prussian dominions. Its exports of grain continued large. British

manufactures were imported for consumption in the Duchy of Holstein. Wood and turf being dear at Kiel, a considerable trade in English coal arose. Several ship-building yards were in active operation, and various factories, worked by steam-power, were erected.

Memel, Königsberg, Dantzic, Stettin.—A large part of the commerce of these important Baltic ports was with Great Britain, amounting occasionally to fifty per cent. of the whole trade. The constituents of interchange being in a measure common to them all: the staple exports consisted of cereals and timber, the imports being coal, almost exclusively from the United Kingdom, metals and hardware, and a miscellaneous assortment of goods. All these towns had manufactures and large industrial works, while by railway and river communication they were enabled to gather for export to England and other countries the produce of a wide inland area. *Memel* had long been noted for its amber trade, this beautiful fossil resin being obtained from the coast of East Prussia, generally in the *FrISChe* and *CurISChe Haffs*, by means of nets drawn through the water, by digging in the sands, and by dredging. This last method proved most productive, and the quantity gathered increased year by year after it began to be generally practised. England received much of it, re-shipping some to Africa, India, and China. The largest piece yet discovered weighed five pounds, and was valued at four hundred Prussian thalers. Amber was also a valuable element of the trade of Dantzic.

CHAPTER XIV.

UNITED STATES OF NORTH AMERICA FROM 1790 TO 1885.

THE rise of a great nation in North America, in the latter half of the eighteenth century, destined to put its mark upon the politics, the commerce, and the civilisation of the world, was an event as important in its consequences as the French Revolution. As British colonies, the states—afterwards confederated—had, separately, little voice in Europe, and but little credit or trade. Even this little was destroyed before the War of Independence was brought to a successful issue.

With the Anglo-Saxon love of order and genius for government, the states associated to form a power of imperial magnitude, taking rank at once as an equal amongst the ancient kingdoms of Europe. Had they, like the Spanish republics in the succeeding century, assumed an attitude of independence towards each other, they might have remained insignificant. With union came strength, and to join the Confederation became the ambition of adjacent states. There resulted (the nine Territories included) more than three times the number of states that joined in the first government; but the original number, thirteen, found commemoration in the stars and stripes upon the American flag. A congress was held at New York in 1765; but a formally settled government, with General Washington as first president, was not organized till the year 1789. The intervening time witnessed the rise, progress, and success of the American Revolution. A Declaration of Rights was issued by an assemblage of deputies from the various states, at Philadelphia, in 1774. America was declared free, sovereign, and

independent in 1776. A federal constitution was formed in 1777, and accepted by all the states in 1781. Peace with Great Britain was signed in 1783.

The growth of the United States, in power, extent, population, and wealth, presents an unprecedented phenomenon. It was only while the war proceeded that the names of the states became familiar to Europe. Cut off from supplies during the struggle with the mother country, the colonists were thrown upon their own resources for all the necessities of life. They had hitherto devoted themselves to husbandry, and trusted to England for manufactures, in exchange for the produce of the soil. Now they were compelled to manufacture for themselves, and thus they laid the foundation of the handicrafts which gave employment to nearly a third of the population.

With good administration came foreign confidence and interchange. Grain and flour, or bread stuffs, were the first commodities sent to Europe, especially to Spain and Portugal. New outlets for produce hitherto absorbed solely by England gave an impetus to cultivation. With a rich, virgin soil, the rudest agriculture returned abundance, sufficient to furnish food for the world. Ships were required to carry on the fast developing commerce, and boundless materials for ship-building were at hand. This, therefore, became one of the earliest and most valuable industries. Provision for the maintenance of manufactures was made by protective duties, an incipient stage of that domestic policy of the States which has been a cause of discord, between the North and the South. The Southern States were the most fertile, and possessed the doubtful advantage of slave labour. The cotton-plant was introduced into Georgia in 1786; the first cotton-mill was erected in Rhode Island in 1790. The Southern States, restricted to husbandry, were desirous of getting manufactured goods, in the cheapest markets, in exchange for the produce of their plantations. They were, therefore, free traders, and strongly

opposed to the protective tariff forced through Congress by the Northern States, which, placed at a disadvantage both in the matter of climate and of labour, sought the support of protective duties as a means of fostering their manufactures. Slavery and trade protection became intolerable grievances, for several generations kept from collision only by the dread of consequences, yet so interwoven that the great civil war resulted principally from conflicting opinion on these points. The crucial question to be decided in the struggle, and one momentous in both worlds, was, "Shall capital *own* or *hire* labour?"

Raw produce was varied and exuberant; motive power in the shape of rivers and torrents was unlimited. All that was wanted was population. Labour being scarce, labour-saving machines naturally suggested themselves to an ingenious people. Saw-mills multiplied wherever timber afforded materials for house and ship building, and wherever the streams furnished motive power to shape it, and means of transit to places where it could be utilised. Agricultural implement-making was equally forced upon the Americans in their husbandry. The economy of labour in this division of industry which they devised, readily bore comparison with the triumphs of English genius in machinery. Steam applied to farm work in America resulted in so many skillful inventions, that some of the best farm machinery in England came from American origin. Cotton, soon after its introduction, began to be spun and woven at home as well as exported raw. The products of the loom could not for many years compete with those of England in fineness, even if they yet do; but they were stronger and more durable, and were often preferred in the foreign markets. Woollen and linen manufactures were also attempted, at first on a small scale, but afterwards more extensively. Hemp and flax grew abundantly, and furnished materials for sacking, cordage, and sailcloth. Cotton a good deal superseded the finer fabrics of linen. Leather soon became an important

native manufacture. The distillation of rum differed from other industrial pursuits, in that sugar, the raw material, had to be obtained from the West Indies, and not produced at home. The manufactures of iron and glass, from small beginnings, rose to an important place amongst the productive industries. Lastly, paper-making, one of the humble attempts of the young republic, took such firm root and was so flourishing, that the annual produce became of immense extent and value.

Fisheries were always vigorously prosecuted by the United States, the principal being the cod fishery of Newfoundland, the mackerel, and the whale fishery. The latter was carried on in the Southern and Pacific as well as the Arctic Oceans, train-oil and spermaceti, seal oil and skins, being the valuable produce of these enterprises. About 1800 American ships, of a gross burden of 130,000 tons, used to be employed in whaling, but the fishery greatly declined, for in 1870 only 288 vessels, of 69,372 tons were employed.

The French Revolution helped the United States to the first great expansion of their trade. As the kingdoms of Europe, involved in continual war, lost their commerce, America took it up. Between 1790 and 1800 a mercantile fleet arose, trading freely with the Dutch, French, and Spanish colonies, in the East Indies, and increasing an intercourse with Cuba and other West India islands. The marvellous increase of the sugar trade at this epoch will give an idea of the growth of the commerce of the Union—

Date.				Sugar received from West Indies.
1791	.	.	.	75,000 lbs.
1792	.	.	.	1,000,000 „
1793	.	.	.	4,000,000 „
1794	.	.	.	17,000,000 „
1796	.	.	.	35,000,000 „

For the time being, the world's trade seemed to fall into the

hands of the Americans. Europe was for several years almost wholly supplied by them with colonial produce. Russia, Sweden, Germany, and even England, availed themselves of the merchant service of the New World, both for interchange and in the carrying trade. For this last branch of commerce no country had equal facilities. American vessels, being all home-built, were exempt from the cost of foreign chartering; while the profits of the service attracted the best energies of the Union, and there was no lack of sailors. A comparison of the tonnage of the ships sailing between the United States and England, at an interval of about twenty years, will show the activity of the American dockyards.

TONNAGE OF VESSELS ENGAGED IN THE BRITISH AND NORTH AMERICAN TRADE.

Year.	British Vessels.	American Vessels.
1789.	72,000 tons.	21,000 tons.
1808.	14,000 „	110,000 „

Still American trade did not continue without fluctuations or reverses. With the Peace of Amiens it appears to have received a great check; and the commerce of Europe returned to its former condition. When peace was broken next year, America was again in the ascendant until the promulgation of Napoleon's Berlin decree, when England seized as prizes so many vessels attempting to break the blockade she had established at every continental harbour, that the American Government, to save further loss to its subjects, placed an embargo for one year upon the shipping in its ports; and when it was removed, but few ships ventured out. A partial resumption of the European traffic took place, in the years 1809 and 1810, with the German and northern ports; but in the succeeding years, till 1812, all traffic was again suspended.

A high-spirited nation like America could not, without a feeling of resentment, brook such injuries as England had inflicted upon her commerce and shipping: in 1811, there-

fore, the United States Government retaliated by prohibiting the entry of British goods into the republic—a step which, for ten months of the year, reduced the imports to nothing. A hasty declaration of war against Great Britain followed almost immediately, in 1812, just when the obnoxious English Orders in Council were revoked. Leisure for repentance lasted over three years, during which interval vast damage was done on both sides, and material advantages were gained by neither. The great sums that England had annually sent to the Union for the purchase of corn and flour were spent upon the war, and those superfluous commodities remained in America. This was a self-imposed and severe loss to the United States. Tillage had spread over a wide area, and the produce had increased with the increase of foreign trade. It was thus an interference with prospective increase as well as present profit; and this not alone in corn, but in cotton also, for the cultivation of which the climate and soil of the Southern States had proved wonderfully adapted, and which had begun to figure as an export. The loss was severely felt, too, by the Western States, whither the Government had tempted settlers with the offer of large tracts of unreclaimed but rich lands, many millions of acres of which still awaited the husbandman.

When this war withdrew the stimulus from American husbandry, and foreign commerce was at a standstill, people's minds were thrown back upon manufacturing industry, and efforts were made to further its development. A heavier tariff on all manufactured goods (which meant English goods) was imposed. Superior machinery was invented for the manufacture of the raw substances of the country, especially the cotton of the South. Inland communication was facilitated by the construction of better roads, by the utilisation of the rivers, and by the introduction of steam-boats. Fulton, in the year 1807, started a steamboat on the River Hudson, which plied between New York and Albany; and by 1810 steam-boats were a common means

of transit on the American rivers and lakes. This was their first practical application on a large scale, although experiments had before been made on the Thames, the Clyde, and by Fulton himself on the Seine. The first steam-vessel was in use at New York, for the purposes of trade, in the year 1815—earlier than any were built in England.

A treaty of peace between Great Britain and the United States was signed at Ghent, December 24th, 1814, but before it was ratified in February, 1815, the British had been repulsed from New Orleans, and on the other hand the British ship *Endymion* had captured the *President*, an American ship of the line. A senseless war, to which the New England States had always been opposed, even to the point of secession, then came to an end, and about the same time war in Europe ceased with the battle of Waterloo. International commerce now took the place of martial strife, and there ensued a long pent-up peaceful rivalry in the race for wealth. A young and vigorous state like that of America found its advantage in competing with the exhausted kingdoms of the Old World. Its vessels filled every harbour in Europe, and found their way to all parts of the world. Much was done in the spirit of adventure, and loss was often entailed, but experience was gained thereby, and the sum of results showed a balance of profits. New paths of commerce were opened for American exports, and new imports were introduced.

The exports of cotton to England showed a remarkable advance. In 1809 the number of bales exported amounted to 14,000, and in 1819, to 175,000. The staple export of flour found markets in the West Indies, Mexico, and South America. Furs and sandal-wood were exchanged in China for tea, some of which was again exchanged in Europe, at a second profit, for German goods. The direct export trade to Europe was exceedingly large, grain, cotton, rice, and tobacco forming its chief items. A great deal of this was paid for in specie, the Union having an abundance of raw

material already, and the law obstructing the admission of manufactured goods. Specie therefore accumulated, and the amount was increased still more by the payments for land sold by the Government to the settlers, who arrived from Europe in larger numbers every year. Capital was thus brought into circulation, and industrial as well as commercial enterprise was promoted. The ambition of the New England States to become manufacturers received, however, checks from English rivalry. Against the competition of England they found it difficult to contend, not only in foreign markets, but even on their own ground at home.

The American Union received some advantage from the European crisis of 1825. When external commerce declined, inland trade was developed. Canals were dug, and roads were opened ; and grand routes of communication with the great Far West diverted much of the produce of those distant territories from New Orleans to New York ; objects for which this last state alone expended 8,000,000 dollars. New facilities for transit had a favourable influence upon agriculture, in the pursuit of which a large fund of capital was employed. The produce of the soil was increased in amount and in variety. Saxony sheep of the best breeds were imported for the improvement of the quality of American wool. Flax and hemp, hitherto chiefly supplied from Russia, were cultivated much more largely. The demand for these fibres was created almost as much through the great quantity consumed by the ship-builders, in the caulking of vessels as by the spinning and weaving of linen. Still further, silk-worm rearing and the manufacture of silk were introduced at this period, and for a time seemed promising, but they have never achieved any great commercial success. Mining was another mode in which the superfluous capital of the States found an outlet. Richly as the Union was endowed with mineral wealth, it was not till now that any organized effort was made to work the

mines; nor were they during this epoch wrought in any way commensurate with their great fertility.

It was not long before the manufacturers were again discontented with the tariff. English products still successfully competed with American, for the English brought fresh skill to bear on their goods, and they were sold at prices barely covering the cost of production, in order to combat the extravagant duties levied on them. The manufacturers clamoured for further protection. The rest of the community,—the consumers,—were hard to convince, and opposed the scheme in the most determined manner. A new tariff was nevertheless passed through Congress, by a large majority, and it was rendered famous by the indignation of the Southern States, which, especially Carolina, went so far as to threaten secession. Disruption was averted by a timely concession in 1832, and by Mr. Clay's complete Bill in 1833, by which a gradual extinction of duties was provided for, down to a uniform level of twenty per cent., by the year 1842. Such an arrangement shows to what an extravagant height the fiscal imposts in many cases must have been raised. In 1842, however, the manufacturing interest in Congress violated their pledge, and re-imposed the old rate of duties. The Southern States complained, but without avail, that they were made to buy in the dearest market instead of the cheapest, and, in consequence, could not dispose of their own produce to the same advantage for the lack of an equivalent interchange. The Northern States, on the contrary, not only sold their manufactures at a high price, but got the produce of the South cheap, through limiting its markets.

A few details of American manufactures and trade will fitly close this section of our review.

Cotton.—The success of the cotton culture in America is almost astounding. Previous to the year 1793 the produce of the fibre was unimportant, owing to the difficulty of cleaning it from the seeds; yet eventually the growth in

the Southern States overshadowed the produce of every part of the world. Whitney's saw-gin really created the American cotton trade. The increase of exports was in the ratio of five to eight between the years 1815 and 1830, but in the next ten years it rose in the ratio of one to two. The value per pound fluctuated, but with a gradual declining tendency. The gross value, however, enormously increased. At the beginning of the nineteenth century it was but 5,000,000 dollars, in 1838 twelve times that amount, and it increased year by year till arrested by the war. The sudden stoppage of supplies sent prices up to from three to five times the average. The exports from America to England alone, in 1866, before the amount had recovered, but while the prices were still twice as high as formerly, amounted to 4,640,000 cwts., valued at £35,000,000. To show this more clearly a table of cotton exports to England in various years is given :—

1795	.	.	.	.	.	5,250,000 lbs.
1820	.	.	.	.	.	90,000,000 „
1840	.	.	.	.	.	488,000,000 „
1860	.	.	.	.	.	1,116,000,000 „
1870	.	.	.	.	.	716,250,000 „
1885	.	.	.	.	.	1,050,546,000 „

Much cotton remained in the States for home manufactures, and a quantity, though by no means comparable to the colossal figures given above, was exported to other manufacturing countries.

Massachusetts, Rhode Island, New York, and Pennsylvania, were the seats of the cotton industry, the largest mills in America being at Lowell, in Massachusetts. The home consumption of raw cotton in 1831 was 77,500,000 lbs., and in 1841 it had increased to 105,000,000 lbs. The fabrics produced in the States were valued in 1831 at the gross sum of 40,750,000 dollars. Massachusetts alone produced manufactured articles to the value of 13,000,000 dollars, and New York to that of 3,600,000 dollars. In 1841, the

total value had increased nearly twenty-five per cent., and those of New York and Massachusetts exceeded 20,000,000 dollars each.

Woollens.—Woollen manufactures ranked next to those of cotton. Improved by the introduction of Saxony sheep, the American flocks produced better and more abundant wool than formerly, but rarely enough for export. Occasionally, wool was required from abroad to supplement the home supply, and the importation thus became very large.

One great merit may be fairly claimed for the American factory system, namely, that the misery often observed in English factory towns is less apparent in the United States, the workers being clean, well clothed, and well fed. Owing to the prevalence of education, they could profit by public libraries, &c., for which Lowell was specially notable.

Amongst minor manufactures, distilleries may be mentioned. Besides rum, which is made from sugar, and largely consumed, other beverages, of which spirits form an ingredient, were numerous. A sensible diminution in the manufacture of these stimulants took place in 1836, when, in consequence of the successful advocacy of total abstinence principles throughout the Union, as many as three thousand distilleries ceased operations. Coffee and tea took the place of spirits, the imports of these articles increasing as the produce of the distilleries fell off. This taste for coffee and tea did not diminish, for the new generation of citizens proved, next to the British, the best customers of China: nevertheless, more than three thousand distilleries replaced those that discontinued working.

The refining of train-oil and petroleum also became an important industry. The manufacture of flour prospered, and the export to Europe of breadstuffs formed an important element of American commerce. Glass, paper, soap, hats, and candles, except the small quantities sent to the West Indies and South America, were almost wholly consumed in the Union. These industries were copied from Eng-

land, and in some instances improved upon, by the aid of superior machinery. Household furniture was likewise a considerable item of trade, the Northern States supplying the Southern, and aiding also to furnish the dwellings of the West Indian planters and the South Americans.

Shipbuilding never ceased to be a leading American industry. The burden of the vessels built in 1837 and the three succeeding years, was, on an average, 123,000 tons. Two-thirds of the foreign vessels trading to America were of American build. The statistics of the merchant marine of the United States for the ten years ending in 1861 prove the vigorous nature of this industry, and at the same time the great extent of American commerce. The total tonnage in 1851 was 3,772,439 tons; in 1861 it was 5,539,812 tons, showing an advance of 1,767,373 tons, besides the shipping built for other nations; but down to 1870 it declined to 4,200,000 tons. Maine, Massachusetts, New York, and Pennsylvania were the great seats of American shipbuilding. In addition to the special supply for whale-fishing, the coasting craft in the aggregate amounted to many thousands of tons. North America surpassed the United Kingdom in its adaptation of steam to navigation. As early as 1838 there were 800 steamboats employed, of 150,000 tons burden, and of 57,000 horse-power. The Americans employed their steam-vessels chiefly for the navigation of their splendid rivers, an application of steam-power which doubtless contributed to the marvellously rapid settlement of vast tracts of the distant interior. Most of the steam-ships which crossed the Atlantic were British. As a rule, English ships were better built than American, and therefore met with fewer casualties, but their cost was nearly double.

CHAPTER XV.

CALIFORNIAN GOLD DISCOVERIES.

THE excitement in both worlds which was caused by the discovery of gold in California gave an interest to the history of territories a few years ago almost untrodden by man. Cabrillo, a skilful Spanish mariner, commanding an expedition of discovery, undertaken at the charge of the Viceroy Mendoza, in 1542, was the first European to attempt the settlement of California, although Cortez has the credit of its discovery about five years earlier, in 1537. Sir Francis Drake, in the course of his voyage of circumnavigation, paid a visit to the country in 1579. He landed on the future site of San Francisco, whose bay, opening to the Pacific, is one of the finest harbours in the world. Drake left it on record that "there is no part of this country wherein there is not some special likelihood of gold." Monterey, the Viceroy in 1602, unsuccessfully endeavoured to found a colony on the same spot.

Colonisation took root in 1769, when several Spanish missions and military stations were planted from Mexico, the Spanish governors of which administered the affairs of the province from that date till Mexico separated from Spain in 1823. Mexican governors were then appointed, twelve of whom, in succession, were unable to maintain tranquillity, till in 1836 the governor for the time being and his staff were quietly shipped back to Mexico, and California claimed the rights of an independent state—a demand which Mexico was unwilling to concede, but was unable to contest. A desire began to arise for annexation to the American Union. The country was occupied by American troops during the

war with Mexico, and it was ceded to the United States in 1848, from which date its actual history begins. In 1850 it was made a state, and grew rapidly in wealth and population.

Gold had been discovered in great abundance by Captain Salter and Mr. Marshall in 1847, and this doubtless was the chief cause of its admission to the American Union. Drake's prevision was verified by accident. Whether he formed his judgment upon hearsay, from the appearance of the country, or from its connection with Mexico, his words were quoted for more than two hundred and fifty years without an effort being made to prove them true. Marshall was putting up a saw-mill on the river Sacramento for Captain Salter, a wealthy American resident, when he found some pieces of gold at the bottom of the tail race, and a further search proved that the whole region was auriferous. Immigrants flocked to California from every point of the compass. A stream of ardent Americans set in overland. The sparsely peopled parts of South America contributed their quota, coming by way of Buenos Ayres to Valparaiso, and by the Isthmus of Darien or Panama. The harbours of Europe were crowded with passengers bound for El Dorado, and Chinese exclusiveness gave way before the fever, spread by the news of the discovery of gold.

San Francisco, the capital of California, was in 1845 a station containing only a hundred and fifty inhabitants. Its remarkably speedy growth had but few parallels. Within a few years it developed into a splendid city of fifty thousand people; its harbour was filled with the fleets of all nations, while the whole population of the state reached seven hundred and fifty thousand. The gold mania seized all classes of the community to the neglect of every other department of labour. Food, clothing, and other necessities of life ran up to fabulous prices. For many years the gold obtained was worth, on an average, more than ten millions sterling per annum. Abundant as that precious metal appeared to

be, it was only one of the many valuable resources of California. Gold so engrossed the attention of the diggers that the rich mines of silver and cinnabar, of plumbago and manganese, of copper, iron, and coal were at first neglected, but were in a short time extensively worked. The region possesses a fine climate and a fertile soil, as well as an abundance of mineral wealth. As the delirium of the gold fever subsided, the cultivation of the ground was resumed, and wheat and flour became regularly exported. Agriculture flourished, land rapidly rose in value, and the harvests of California proved a source of wealth less capricious in their yield than the washings of blue clay, or the crushings of quartz reef.

“The mineral wealth of the vast region lying to the west of the Rocky Mountains, forming the great westerly division of the United States, is not confined to California. The adjoining states of Nevada and Idaho are rich in this regard ; both gold and silver mines are worked on a scale of great and increasing magnitude, and various valuable ores abound.”

CHAPTER XVI.

AFRICA FROM 1790-1885.

EGYPT; BARBARY STATES—TRIPOLI, FEZ, MOROCCO, TUNIS, ALGERIA, FEZZAN; GUINEA COAST; SOUDAN; CAPE COLONY; MOZAMBIQUE; ZANZIBAR.

EGYPT, like Constantinople, dropped out of the annals of commerce from the beginning of the sixteenth to the end of the eighteenth century. Its subsequent active life and prosperity were inaugurated by Mohammed Ali, who was appointed by the Sultan, in 1806, as Pasha of Egypt. Mohammed Ali, recognising what Egypt had once been, set himself the task of restoring her to a semblance of her former grandeur. This object became with him a passion to which he consecrated his life. His first attention was devoted to husbandry and trade. He planted many millions of trees, which are believed to have become a defence against the encroachments of the desert, and even to have attracted rain in places where it seldom or never fell. He revived the fame of Egypt as a corn-exporting country, and bestowed much care upon the cultivation of cotton and indigo. The wisdom of these efforts has now been abundantly proved. Cotton is a more valuable product in Egypt than even corn. The seed is sown in March or April, and the fibre gathered in August or September. The yield averages about 300 lbs. to the acre. Cotton was exported to England, in 1866, to the value of more than nine millions sterling, and to a greater weight than from any other country except India and the United States. The quantity since continued to increase. Silk in transit from India, China,

and Japan, in the same year, reached the value of more than four and a quarter millions sterling. The whole value of the exports to England in 1862, was £12,225,000, and in 1865 it had risen to £21,750,000. Such an increase in cotton growth took place that Egypt was compelled to import corn. Cotton seed also was found to possess an economic value. An oil is expressed by crushing, and the refuse is made into cake or marc for fattening cattle, the nutritive power of which is greater than that made from linseed.

Mohammed Ali called commerce into being in a very imperative manner. Thousands of his subjects were forced to labour in cutting a new canal from the Nile to Alexandria, in repairing the old one, which had been disused from the days of the Saracens, and in improving the means of inland communication. This policy was pursued by Ismail Pasha, who quite as absolutely, but more humanely, kept an army of *fellahs* employed in constructing canals and railroads, and who, by every means in his power, favoured the construction of the Suez Canal. Still further to foster commerce, Mohammed Ali held out inducements to foreign merchants, particularly English, to settle in Egypt. The number of European houses of business increased between the years 1822 and 1834 from sixteen to forty-four. Steam navigation was soon made available, and trade visibly increased. Difficulties never daunted this remarkable man, and there was no one in the land possessed of the same force of character. Steadfast in his purpose, he saw many years pass by with no apparent result. He took into his own keeping the most profitable divisions of labour connected with husbandry, handicraft, and trade, and he thus courted many difficulties while surmounting others. These government monopolies so interfered with the freedom of the foreign merchants that they began to withdraw from the country.

The *staple* exports from Egypt comprised cotton, rice, wheat, coffee, flax, gums, indigo, perfumes, drugs, senna, rhubarb, ostrich-feathers, fabrics of goats' hair, and wool; rags, pearls,

raw silk, and Indian silk tissues, ivory and soda. The imports included timber, fibrous tissues, apparel, paper, glass, wine, and every variety of British and other manufactures. Austria, France, and the Tuscan provinces of Italy, next to England, continued to be the chief purveyors to Egypt, while the British colonies, Russia, Holland, and Turkey, severally conducted a considerable trade.

One object that Mohammed Ali kept in view was the development of Alexandria as the port of Egypt, and its importance afterwards became very great. In 1870 it numbered 200,000 inhabitants of all races, and outvied its ancient activity. He also aimed at making the pashalik hereditary in his family, if he did not even aspire to the throne of Constantinople. He created an army, and constructed a fleet upon the European model, at an expenditure that went far to counterbalance the success of his economic plans. His energy roused the suspicion of the Sultan, and attracted the attention of Europe. At the battle of Navarino, which led to the independence of Greece, his fleet, combined with that of Turkey, was destroyed by the united forces of England, France, and Russia, and he was obliged to quit the Morea. Subsequently he overran and took possession of Syria, defeated his sovereign the Sultan, and threatened Constantinople. Many battles were fought in the years 1831, 1832, and 1833, success usually attending the arms of the Pasha. The European powers intervened to bring about peace, which was broken again in 1839, upon the Turkish fleet deserting to the Egyptian ruler. The five great powers supported the Porte against its vassal. Sidon, Beyrout, and Acre fell, and after long negotiations, terms were agreed to, by which the Sultan granted Mohammed's demand that the pashalik of Egypt should be hereditary in his family, on condition that Mohammed in return should evacuate Syria. Egypt, during the French wars, and through these events, was brought prominently before Europe.

In connection with British intercourse with India, the question of the old overland route came again to be debated. Lieutenant Waghorn brought the first mail overland from Bombay in 1830. Since then, the service has developed into the most complete and extensive system. This overland route to India had a material effect in raising Egypt to wealth and importance. Trade increased yearly in a steady ratio. In 1856, British vessels to the number of 596 entered the port of Alexandria; in 1865 they had increased to 932, and the total arrivals of shipping in 1870 were 2886, of an aggregate burthen of 1,403,393 tons. Afterwards, the completion of the Suez Canal connecting the waters of the Mediterranean and Red seas, further tended to revivify the trade of Alexandria, and proved another step towards the gradual restoration of Egypt to its place as a medium of intercourse between the east and the west.

Cairo was still the interior depôt of Egypt, receiving its supplies from Europe through Alexandria, and exporting from the same city the produce brought from a wide inland area.

Suez was a port of limited trade, much of which was in connection with the French works on the Canal, connecting Suez with Port Said. The vessels entering Port Said in 1870 were 1294, of 739,249 tons, and at Suez 726, of 534,537 tons.

Barbary States.—These states, which played so great a part in the days of Carthage, and of the Saracens, had by no means regained their ancient fame or importance. Their existence during this commercial period was made known chiefly by the piratical character of their inhabitants, who scoured the Mediterranean, and were the terror of European mariners. The expedition of Lord Exmouth against Algiers in 1816, led the Dey to agree to a treaty in which he covenanted to restrain his subjects from piracy; but it was not until the occupation of Algeria itself by the French in 1830, and

its retention as a French colony, that the practice was effectually put an end to.

Tripoli, one of the pirate states, had retained a trifling industry and commerce, which served as a nucleus for expansion. Saffron, in particular, was cultivated, and was always in demand. Tripoli interchanged with Turkey more than with any other country; 268 vessels, out of a total of 539 that entered its port in 1870, being Turkish, while only 35 were British. The whole value of the imports was under £300,000, and the exports were estimated to be of about equal value. European manufactures, grain, metals, tobacco, timber, coals, and colonial produce were imported; and oil, butter, wool, salt, dates, madder, skins, soap, ivory, feathers, natron, and oxen, were the principal exports. From Tripoli many of the imports were despatched by caravan to Fez, Morocco, and Fezzan, whence they reached Central Africa, and were exchanged for gums, balsams, indigo, and cotton.

Tunis, though the smallest of the Barbary States, was one or the most piratical. The capital stood a few miles from the site of ancient Carthage. Admiral Blake captured it so long since as 1655, in order to release the Christian captives taken by the corsairs. France had commercial relations with Tunis in the last century, obtaining therefrom oil, grain, wax, hides, gold, horses, ostrich feathers, and sending thither coffee, sugar, cloths, wine, brandy, and paper. In this epoch the trade of Tunis was unimportant, and was shared by England, Spain, Sweden, Denmark, Venice, and Italy.

Morocco, one of the most fertile parts of the Barbary States, continued to be rudely cultivated, and wheat, of which three harvests can be gathered in the year, was frequently exported to Spain. Maize, dh'urra, rice, dates, and olives were staple products. Cattle rearing was important; valuable horses, called Barbs, and fine-woolled sheep were also bred.

Morocco had long been famed for its manufactures of leather, carpets, and arms, the first-named being beautiful and highly esteemed for choice work. Pink and red coral were dredged for along the coast by the Italians and French. From this state, whose chief ports were Tangier and Mogador, were exported almonds, beans, peas, canary seed, cotton, dates, goat-skins, gums, hides, maize, olive-oil, ostrich feathers, wool, and wax. Great Britain engrossed more than two-thirds of the trade, and France came next. Spain, Portugal, Egypt, Belgium, and Italy, shared to an unimportant extent the remainder. The value of the exports in 1870 was about three quarters of a million sterling, a sum rather exceeded by the imports, of which Manchester goods alone amounted to one-fourth. The other imports embraced alum, saltpetre, copperas, iron, steel, tin, hardware, earthenware, cloths, linen, indigo, coffee, spices, sugar, and tea. Much older than its European trade is the caravan traffic in connection with the pilgrimages to Mecca. Morocco wares formed part of the equipment of every caravan, being disposed of in the different towns and resting-places on the way. Another route was that from Fez to Timbuctoo, and the caravans, provisioned with water, dates, and barley-meal, occupied about one hundred days in either direction.

Algeria.—The city of *Algiers* was taken by a French force under Bourmont and Duperré, in 1830, in retaliation for an insult offered to the French consul. The conquest of the adjacent territory was the work of several succeeding years (1830–1847.) Great hopes were entertained that French authority would cause the province to flourish and commerce to take the place of plunder. France did Europe a service in ridding the Mediterranean of the Algerine corsairs, but the colony during this period was not very successful, being a heavy burden to the French people. All the efforts of France to promote industry were long frustrated by the unsettled character of the inhabitants, who could not be speedily changed from pirates into peace-

ful and loyal friends of their conquerors. War for many years kept off colonists from France, and a sense of insecurity prevented the cultivation of the ground. Considerable importations of French goods favoured the belief that trade was increasing, but it was soon found that the consumption was confined to the troops. Abd-el-Kader, in a harassing guerilla warfare, long opposed the might of France, but was at last taken captive; and with the exception of sundry expeditions against the Kabyles, to remind them of their terms of submission, the country since then remained peaceful. Abd-el-Kader, after a long but honourable captivity, was released and permitted to settle at Broussa, in Asiatic Turkey, by Louis Napoleon, in one of his first public acts as Prince-President of the French Republic in 1852.

Algeria made its greatest progress under the Empire. Emigrants from Spain, Germany, Switzerland, Italy, and Malta, and as many as from all these together from France, were encouraged to settle in it, and the effects upon the productions of the country began to be perceptible. Hides, wax, and a few raw materials, too insignificant to enter into commercial statistics, completed the original list of exports. As cultivation spread, rice, wheat, and maize, were added to the produce, and still later, the vine, cotton, tobacco, and mulberry have been introduced, wine and silk furnishing no unimportant items of the wealth of the colony. The ancient cattle-rearing and pastoral industry also in some measure revived, and wool, for which all the Barbary States were at one time famous, proved abundant enough for export. Most commercial nations at this time had dealings with Algeria, and its exports increased. French policy kept the commerce as much as possible out of the hands of other states, whose trade remained therefore inconsiderable, but that with France greatly developed, rising from £248,000 in 1832 to £8,492,000 in 1861.

Soudan (Beled-es-Soudan, *i.e.* Land of the Blacks), Negro-

land, or Nigritia, properly so called, was the region or basin of the river Niger. Soudan occupied the central regions bounded by the Sahara on the north, by the mountains of Kong and the highlands which form the water-shed of the Niger and Lake Tchad on the south, by Senegambia on the west, and Nubia and Abyssinia on the east. In navigating the Niger from its estuary in the Gulf of Guinea, we find in the course of thirty or forty miles up the stream, a thickly-peopled country in a condition very different from that of the coasts; but for a long while the existence of Negro kingdoms in Central Africa, as populous as many European states, was unknown and unsuspected. The development of the trade in palm-oil incited adventurous traders to ascend the river. These found many towns on its banks, some of them with a large population, regularly constituted markets, and other proofs of a considerable degree of civilisation. Such a town was Ebboe, the first reached, whose inhabitants proved keen at a bargain in palm-oil, for which they eagerly took guns and powder, cottons, beads, rum, and mirrors. At Idda, Bocca, or Iccory, another large town, higher up the stream, a market was opened every tenth day and continued through three days. After passing many unimportant towns, Egga was reached, having great trade and varied industries. Its inhabitants traded up and down the river in their own canoes. Rabba and Koulfou were busy commercial towns, belonging to the kingdom of Nyffe. The natives of this kingdom were amongst the highest types of Negro vigour, both physical and mental, and in general the inland tribes were a finer race than those on the coasts. So great an industry and so good a market distinguished Rabba, that an island of the Niger, opposite the main town, was well-known amongst English merchants as the Manchester of Africa, and the town became the *depôt* of the trade of Soudan. At Koulfou two markets were held every week, attracting traders from distant parts. The powerful kingdom of Yarriba had for its capital

the large trading town Cyeo or Ketunga, with a circumference of fifteen miles. Fundah, the capital of a neighbouring state, is described as having been as large as Liverpool. The upper part of the Niger was known by the name of the Joliba, flowing through the kingdom of Timbuctoo, passing the capital of the same name. This state was once considerably more powerful, exercising a sway over much of Nigritia, but at this time it was regarded as the great mart of west central Africa, although it could only secure the safety of its caravans across the Sahara by paying tribute to the Tuaricks. Mungo Park describes the Niger at Sego, considerably above Timbuctoo, as of the width of the Thames at Westminster. It is navigable nearly to its source during the rainy season and for a short time after, but the water in the dry season is not deep enough for navigation, even within a few miles of the estuary. Saccatoo, the capital of the powerful empire of the Foulahs, four days' journey from the great river, was the largest town of Soudan. Bornou, another powerful kingdom, still further to the east, occupying the inland basin of Lake Tchad, held a caravan communication open to Fezzan and Tripoli.

The nature of the trade carried on so extensively through these wide regions may easily be inferred. European goods being greatly coveted, reached the markets both by way of the Barbary States and of the Guinea Coast. Native produce received in exchange varied considerably. At Koulfou, salt, wood, and pepper constituted the burden of the caravans from the north; European textures of cotton and wool, brass, zinc, other metals, and cutlery, horses, raw silk, and petroleum, came by way of the Niger; Bornou sent a contribution from its caravans arriving from Tunis and Egypt. From Tunis, the goods consisted of Maltese swords, beads, and Venetian mirrors and turbans; from Egypt they were cotton and woollen yarn, and woven linen. At Iddah, in like manner, European and other goods found a ready sale. In the market at Egga, the chief commodities

were cotton, indigo, dye-woods, and palm oil. Rabbah exceeded every other market in the magnitude of its transactions, dealing in grain, indigo, wax, ivory, ostrich feathers, camels' and leopards' skins, Fez caps, and metal-work. At Boure, a hilly district of the Joliba, rich gold-mines abounded, which supplied the coast and the interior with much of that precious commodity. A trade in gold grains was a long established business in every part of Soudan, and indeed gave the Gold Coast its name, as did Guinea, the country of which this coast forms part, to the English coins made of the gold brought thence.

West Coast Settlements.—Since the abolition of the slave-trade, commerce in these places rose into great importance. Palm-oil became one of the chief commodities dealt in. The other constituents of trade resembled in great part those of the towns on the margins of the Niger. The palm-oil imported into England amounted to nearly a million hundredweights per annum of a value averaging nearly two pounds sterling per hundredweight.

Southern Africa.—The English South African settlements formerly belonged to the Dutch. The independent states of the Transvaal Republic, and the Orange River Settlement, north of Cape Colony, were still occupied by Dutch Boers. These settlers, who kept up an intercourse with Holland, were mostly employed in the rearing of sheep for the production of wool. *Cape Colony*, of much more importance than these, being the centre of commercial intercourse, absorbed fully two-thirds of the whole British trade of South Africa. Cape Town and Port Elizabeth were the chief ports. Trade was also conducted at Mossel Bay, Simon's Town, and Port Alfred. By a census taken in 1865, the population of the Cape Colony was found to number 566,000; above a third of white race, the other two-thirds being mixed races and aborigines, either of Kaffir or Hottentot stock. *Natal*, a newer colony, containing in 1869 over 269,000 settlers, was of growing importance.

The south African traders exported cereals, arrowroot, sugar, copper, ore, ostrich feathers, dried fruits, cured fish, hides, ivory, skins, wine, and wool. Wool was their staple ; the exports in one year amounted to £2,267,000, the imports to £1,968,000. Cotton was introduced into Natal, with such success as to quality, but at first leaving little profit on the cultivation. Arrowroot, a product of Natal, and sugar were grown largely. Manufactories of candles and soap, distilleries and foundries, grist, sugar, and saw mills, were successfully established. The trade of Natal was almost exclusively with the mother-country and the Cape Colony. Its whole trade in annual value reached about £380,000 sterling of imports, as against £363,000 exports. England exported to her South African possessions apparel, furniture, coals, textiles, hardware, iron, leather, colonial and foreign produce, and machinery. The discovery of diamonds also proved a great attraction ; it was said that the supply was inexhaustible, although subject to fluctuations.

East Coast of Africa, Mozambique, Zanzibar.—Comparatively little intercourse was maintained by European nations with these coasts, although the Portuguese formed trading-stations at Mozambique as soon as they had discovered the route by the Cape to India. The trade here continued chiefly in Portuguese hands. Some competition existed between the English, French, and Americans. Zanzibar, which for a lengthened period formed part of the dominions of the Imaum of Muscat, became since 1857 a distinct sovereignty, under the rule of a Sultan of Arab descent. Zanzibar proved the seat of considerable commerce. Its ruler encouraged the cultivation of sugar and the settlement of foreign colonists, but without any very decided results during the period under consideration.

Zeyla, in the south of Abyssinia, became one of the chief trading marts in this part of Africa, at which ivory, hides, gums, and ostrich feathers, together with the indi-

genous coffee of the country, were bartered against the merchandise of the Arab traders who settled at Berbera, on the Gulf of Aden. England, by its station at Aden, competed with advantage against France in these regions ; yet, excepting an occasional cargo of sugar from Mozambique, and a consignment of coal thither, little commercial intercourse was as yet carried on. The Portuguese, in their commercial list, added gold, ivory, and beeswax.

CHAPTER XVII.

EUROPEAN AND ASIATIC TURKEY, PERSIA, INDEPENDENT TARTARY, AFGHANISTAN. TURKISH COMMERCE FROM 1790-1885.

THE epoch, beginning in 1453, when Mohammed II. took Constantinople, and made it the seat of the Turkish empire, may be regarded as the period of cessation of the industry and trade of the conquered land. Religion and temperament combined to render the Turks indolent, proud, and disdainful of foreign intercourse. The Black Sea was substantially closed to all nations for four hundred years.

A partial intercourse with France resulted from an alliance between Solymán the Great and Francis I. early in the sixteenth century. Cardinal Richelieu, in the century following, tried to develop a vigorous Levant trade, and Colbert, with more success, caught the taste of the Turks with French woollens, known as Loudonnes, for which a considerable demand was created, thus preparing the way for the introduction of coffee, sugar, and other colonial produce. The Black Sea was partly opened to Russian trade by treaty in 1774, and to the British in 1792, and after the Crimean war the passage of the Bosphorus was permitted to the ships of the whole world.

This early intercourse gave France an ascendancy in the Turkey trade, which it did not lose, despite the competition of the English, Dutch, and Genoese. When graver matters occupied the French Republic after 1789, England enjoyed until 1815 the control of this trade. A British chartered company, called the Turkey or Levant Company, had possessed some trade since 1579, and its privileges did not

wholly cease until 1825, but compared with the former trade of the Arabs or the Greeks, modern Turkish commerce was quite insignificant.

Turkey, during this period, made advances towards western civilisation, and the Sultan, throwing aside old traditions, visited Christian sovereigns. With the exception of the direct intercourse with Constantinople, secured to Russia on the cession of Taurida in 1784, the trivial character of the commerce may be judged from the fact that two or three English vessels making an annual voyage with an assorted cargo proved sufficient. It increased when Malta was formed into an entrepôt of British commerce. Greek merchants, with an intuitive perception that recalled the days of Pericles, saw in that circumstance a basis of commercial enterprise, and started on a brisk course of interchange between Malta and Constantinople or Smyrna. British manufactures were as readily taken by the Turks as the dried fruits, rhubarb, opium, and raw silk, which they offered in exchange, were desired in the English markets. In 1812 an English merchant established a house of business at Constantinople, and directed for a considerable time the whole course of the trade.

After the peace in 1815 France expected to be able to renew its former Turkey trade, but found that England had gained too firm a hold. Nor had other commercial nations any better success in affecting the virtual monopoly enjoyed by England. Next to this country, the port of Trieste, the Mediterranean outlet of German and Belgian goods, carried on the largest trade with Constantinople.

The Danube appeared to present a great highway for commercial intercourse between Turkey and other parts of Europe, but political, as well as physical, obstructions rendered it of little use in navigation. The vast quantities of mud brought down by the river from banks at its mouths, and the Sulina passage, the chief channel, was only kept open to vessels by constant dredging. In many parts the

current runs with great force, so that vessels ascending the river had a tedious and difficult task. Near the Iron Gate, a narrow passage through the Carpathians, the river rushed over a bar of rocks stretching right across the stream, and opposed the course of any vessels drawing more than two and a half feet of water. Over the plains of Hungary, and along its lower course in Turkey, the Danube spreads out in shallow meanderings, enclosing within its branches numerous islands and extensive marshes,

“ And like a serpent shows his glittering back,
Bespotted with innumerable isles.”

As if these impediments were not enough, the various states through which the river flows added tolls and sanitary restrictions of very vexatious and exacting character. Russia, till the conclusion of the Crimean War, had control over the Sulina mouth, ceded by Turkey in 1812, and by neglecting to dredge it, though bound by treaty to do so, rendered the whole of this grand waterway of very little use. Corn coming down from the productive principalities of Moldavia and Wallachia was occasionally trans-shipped outside the bar by the agency of lighters, at great cost and risk in consequence of the rapid increase of mud. Russia altogether closed the Sulina passages in 1854 when at war with Turkey.

Steam navigation on the Danube was projected in 1830, and the Austrian company launched steamers of light draught that could pass over the rapids. A Bavarian company was chartered in 1836. These companies certainly increased the river traffic, but not to its full capabilities.

A canal which unites the Altmuhl, a tributary of the Danube, with the Regnitz, an affluent of the Main, connects the navigation of the Danube and the Rhine, and thus provides the means of intercommunication by water to a large part of Europe, although any great access of trade from these sources was prevented by a multitude of tolls. By

blasting the ledge of rocks between Widdin and Belgrade, a channel was cut for vessels, which then proceeded direct to Galatz and Brailov, near the Black Sea, without the trans-shipment of their cargoes. In 1856 the Danube was for the first time made free to all nations, and a commission of European states undertook to remedy the physical obstacles to the navigation. Great increase of traffic quickly resulted, in the profits of which every town on the banks of the river participated. British trade alone, imports and exports, with Turkey and the Danubian principalities, became augmented from less than nine millions sterling in 1856 to more than fourteen millions in 1866. In 1870 this had further increased to nearly sixteen millions, the imports exceeding the exports in value by rather less than half a million sterling.

Turkey however continued in a deplorably backward state. Foreign trade was not conducted by *Turkish merchants*, but by English, French, Italians, Greeks, Armenians, and Jews. Large as the commerce was even then, nearly all the exports were raw materials, the spontaneous produce of a fertile soil and a balmy climate, little being due to steady industry. The amount is really small from an empire covering (if we include the tributary territories) more than a million square miles. Manufactures, once numerous, now hardly existed. Anatolia produced Turkey carpets of excellent durability and beauty, which were only surpassed by the products of the looms of Persia in costliness and delicacy. A few coarse woollens and cottons and some metal works remained, but the commercial system of Turkey, that of unrestricted trade, did not favour manufactures. Machine-made goods from England and France gave no chance to the native fabrics. Every department of labour remained in a backward condition. Husbandry continued in a primitive state. There was no real security for property, and might was the chief law in the provinces. Pashas were kept, by fear of the bowstring, from offending

against their sovereign, but there was no real check upon their rapacity and tyranny in their respective governments. Under such conditions industry could not thrive. No one who is liable to be robbed of the fruits of his labour will cultivate the ground with zeal. It is scarcely needful to say that the inland communications of the empire were still imperfect. There were neither railways nor canals till nearly 1870, when a railway from Aidin to Smyrna was opened, as well as a line connecting the port of Varna, on the Black Sea, with the valley of the Danube. Horses and asses were the means of conveyance in European Turkey, and camels continued in common use in the Asiatic division of the empire. There were but few roads on which carriages could be used. These were the causes that frustrated all efforts for the renovation of Turkey, and commercial freedom alone maintained the vitality the country possessed. Early in the nineteenth century, prohibitions were tried for a time without working well, and were removed in 1839 by treaties with England and Austria, in the advantages of which Russia, France, and Prussia soon afterwards participated.

A writer on Turkish history says:—"Their capital is Constantinople, a kingdom in itself, more coveted than many realms. Austria and Russia have alternately united and contended for the splendid prize: it broke up the alliance of Erfurt, and carried the arms of Napoleon to Moscow; and in these days it has dissolved all former confederacies, created new ones, and brought the forces of England and France to the Bosphorus, to avert the threatened seizure of the matchless city by the arms of the Czar.

"Its local advantages are unique, and its situation must ever render it the most important city in the Old World. Situated on the confines of Europe and Asia, with a noble harbour, it centres within itself the trade of the richest parts of the globe; commanding the sole outlet from the Euxine into the Mediterranean, it of necessity sees the

commerce of the three quarters of the globe pass under its walls. The Danube wafts to its quays the productions of Germany, Hungary and Northern Turkey: the Volga, the agricultural riches of the Ukraine and the immense plains of Southern Russia: the Kuban, of the mountain tribes of the Caucasus; caravans traversing the Taurus and the deserts of Mesopotamia, convey to it the riches of Central Asia and the distant productions of India; the waters of the Mediterranean afford a field for the vast commerce of the nations which lie along its peopled shores, while the more distant manufactures of Britain and the United States of America find an inlet through the Straits of Gibraltar. The pendants of all the nations of the earth are to be seen, side by side, in close profusion in the Golden Horn; 'The meteor flag of England' and the rising star of America, the tricolor of France and the eagles of Russia, the aged ensigns of Europe and the infant sails of Australia. Hers is the only commerce in the world which never can fail, and ever must rise superior to all the changes of fortune—for the increasing numbers and energy of Northern Europe only render the greater the demand for the boundless agricultural productions of Southern Europe, and every addition to the riches and luxury of the West only augments the traffic which must ever subsist between it and the regions of the sun."

In later years the commercial development of Constantinople was enormous. England, France, Austria, and Russia were, in the order named, the principal customers for commodities brought from many parts, and of which the following were amongst the most important:—

Wool and hair (sheep and goats').	Bones and horns.
Cotton wool.	Leeches.
Skins (goat, hare, lamb).	Chromate of iron.
Silk and cocoons.	Seeds (aniseed, canary, linseed, rape).
Hides and leather.	Meerschaaum.

Rags.	Opium.
Tobacco.	Olive-oil.
Gums and resins.	Attar of roses.
Fruits (raisins and nuts).	Boxwood.
Drugs, galls, and dyes.	

The import trade was much more extensive. In addition to the dealings with the countries just mentioned, Constantinople imported for transmission inland, commodities of the most varied character from Trieste, Genoa, Holland, Belgium, the United States, Brazil, Havannah, the ports on the Sea of Azof, Odessa, and Persia.

Adrianople was the grain depôt of the Turkish empire. The chief outlet for its commerce was the port of Enos, at the mouth of the river Maritza, on which the city itself is situated. It had also a valuable trade in attar of roses, which found eager purchasers in foreign markets, not only in the east, but westward as far as New York.

Salonica was the emporium for the provinces of Macedonia and Thessaly, cotton and grain being given in return for the manufactured products of western civilisation, but these provinces remained in too backward a state to offer any other commodity of importance.

The only important port in Asiatic Turkey was Smyrna. Beyrout and Alexandretta (or Scanderoon) were outlets for the manufactures of Damascus, Aleppo, and Diarbekir, the trade in which Great Britain almost monopolised, but they did not compare with Smyrna. British cargoes imported by Smyrna in 1866 were of the value of £1,165,500 sterling, and those exported amounted to £1,520,040. The former comprised timber, coals, earthenware and glass, dyes, drugs, watches, furniture, hardware, and fire-arms; the latter consisted of madder, grain, boxwood, cotton, wax, gums, galls, wool, hair, silk, sponges, valonia, carpets, spirits and wines.

Ottoman Asia is admirably adapted, from its position, to be a great theatre of trade between the Eastern and

Western nations. From remote antiquity, and during the early centuries of the Christian era, it was the highway of an enormous commerce, which, under the depressing sway of Turkish indolence, nearly disappeared. The ancient names of the provinces included in this territory recall the great deeds of Chaldean, Hebrew, and Arab history, but the very sites of some of their cities remained a matter of dispute. Babylon and the river plains, once teeming with life and wealth, and whose works of irrigation were the glory of the Caliphate and of earlier times, became simply a sterile marsh. Bagdad, Diarbekir, and Aleppo (Haleb), long remained as seats of industrious weaving and trade, but succumbed to the benumbing influence of Moslem fatalism. Referring to this district, Sir H. Rawlinson says, "The resources of Bagdad are unbounded. When the Great King ruled over a hundred and twenty provinces, from India to Ethiopia, the single region of Babylonia furnished one-third of his revenues. At present, there is the same country, teeming soil, tropical climate, and illimitable supply of water. All that is required to restore the ancient prosperity of the province is a just, firm, enlightened, and tolerant government. Cotton, sugar, silk, indigo, opium, and coffee, would be produced, and the increase in the revenue would be enormous." Bedouin Arabs, Turcomans, and Kurds, roamed respectively over the Syrian desert, the central parts of Asia Minor, and Kurdistan, living upon plunder and the produce of their flocks and herds. The husbandry even of more settled parts could scarcely be worse; but still, despite of neglect, the soil produced enough grain even for export. Cattle rearing was one of the sources of wealth amongst the nomades, the riches of a chief being estimated in flocks, herds, and tents, as in patriarchal days. The silkworm was extensively reared, the silk produced being partly used up in home manufactures, and partly exported. The few lingering branches of industry found in the large towns

were the weaving of cottons, dyeing, the making of Turkey leather, and the fabrication of fire-arms and swords. Damascus was so famous in the Middle Ages for its sword-blades (the production of which it has now lost), as to give name to the beautiful process of damascening steel. Nature, however, was stronger than Turkish stagnation. Its geographical advantages, lying between the Mediterranean and the Indian Ocean, gave rise to an important caravan traffic. Armenian merchants were said to trade from China to Gibraltar, and, with the Jews, to conduct the interior commerce, as the Europeans did that by sea. Bassorah, Bagdad, Damascus, Aleppo, and Erzeroum being the resting-places of the caravans, as Smyrna, Beyrout, Latakia (Antioch), Tripoli, Acre, Trebizond, and Bassaroh, were the ports of maritime commerce. Beyrout, which served as the port of Damascus, in an especial degree increased its commercial importance. The exports consisted of the products of husbandry, wool, Angora goats' hair, cattle, horses, hides, skins, leather, silk, cotton, grain, tobacco, gums, valonia, honey, wax, saffron, madder, and Arabian, Persian, and Indian goods. Raisins and figs were sent in immense quantities from Smyrna, which also carried on a large trade in fine sponges and coffee from Arabia. The imports comprised British and European fabrics, hardware, earthenware, paper, furs, tropical products, and dye stuffs. Many commodities were imported into Turkey for distribution by caravan routes to Persia. During Mohammed Ali's sway over Syria, as well as Egypt, a great European import trade was begun, and efforts were made to improve the native industries, but these were frustrated by military oppression, and the insecurity of property under a despotic government.

Arabia.—The Sultan exercised a nominal sovereignty over Arabia, and the Pasha of Egypt claimed an authority over the western tribes, but no advantage could accrue from active government. Many of the Bedouins (dwellers

in the desert), and also the Wahabees, disclaimed any power superior to their own emirs, or sheikhs. Arabia was no longer the scene of the great transit trade between the Red Sea and the Persian Gulf. While intercourse with India resumed its activity, and, through the facilities afforded by the Suez Canal, promised greater results than ever, it affected only small tracts *on the Arabian coasts*, the inland deserts having ceased to be traversed. Coffee is indigenous to Arabia and Abyssinia, that of Mocha being the finest produced. Its exportation, however, lessened since coffee cultivation became so greatly extended, and even Turkey received more through the maritime traders than from Arabia. All the commerce deserving the name that remained to Arabia at this time was connected with the pilgrimage to Mecca, which every Mohammedan is bound by his religion to perform at least once in his life, as many as 60,000 or 70,000 pilgrims yearly joining in caravans, and along the route combining some amount of trade with religious duty. To these caravans must be accredited the entire importance of Mecca and Medina.

Persia.—Irrigation fell into disuse over the regions extending from Armenia to the eastern verge of Persia, and deserts cover the plains which once refreshed the eye with their verdure, and gladdened the heart with their fruits. Only by the river margins and in the valleys could any sign of agricultural industry be seen. The great towns of antiquity have either dwindled to villages, or lie buried in ruins: the population decreased everywhere in Central Asia, while the great empires bordering on the sea in the south and south-east, from Hindostan to China, teemed with inhabitants. Some exceptional oases, however, maintained tribes, which were subject to the plunder of barbarians around, whose predatory attacks reduced both cultivation and cattle-rearing to the lowest point.

Goats' hair, silky and of great fineness, formed an important article. From the camel's hair beautiful, soft, and

costly Cashmere shawls were fabricated. This hair is gathered only from the breast and the back, corresponding to the mane of some other quadrupeds. Silk weaving has continued a branch of Persian industry for several centuries; but this pursuit decreased, owing to the frequent ravages of cholera, which did much to depopulate the districts where the silkworm was reared. Still the exports are estimated as having been worth a million sterling. The rearing of silkworms, and silk weaving, were likewise pursued in Bokhara. Persian cotton was poor in quality compared with American, and the demand was small, although the climate and soil were well adapted for its production. Besides silk, the staples of Persia for export consisted of tobacco, asafoetida, rhubarb, and otto or attar of roses.

Persian monarchs tried hard to restore the native manufactures by setting the example of wearing the fabrics of their country, but have been unable to induce their subjects, from the mere *sentiment* of a royal preference for Persian industry, to reject the cheap manufactures of England for the dear textures of home make. The Turkish Sultans adopted the opposite course of introducing European goods and fashions, in which policy they have been much opposed by the hereditary antipathy of their people to change.

Maritime traffic in Persia superseded nearly all the ancient routes of land trade, and was almost exclusively possessed by the English. The country could not be said to possess roads, and had no navigable rivers. Once there was a fair amount of caravan traffic carried on between Meshed, in Khorassan, and India, by way of Herat and Afghanistan. This has been greatly diverted to the Persian Gulf and the River Tigris. Even the caravan line connecting India with the Aralo-Caspian regions, of which Cabul, Balkh, and Bokhara were the emporiums, though so entirely inland, was deprived of much of its importance by the diversion of trade to maritime routes.

It certainly is a remarkable fact that these Oriental

empires should be vitally influenced by what is taking place in a small and distant island, which in the time of their glory was utterly unknown. England is called upon to clothe the numberless tribes from the Bosphorus to the Indus. The cheapness of machine-made fabrics, caused the native manufactures to cease, and a temporary diminution in the supply of cotton from America quickened into life the whole industry of these vast regions, and multiplied fivefold their produce of this valuable fibre.

The gross amount of the Turkey trade, with all its associated branches, was of great importance to England. The monopoly long enjoyed by this country excited the emulation of other trading nations. The Germans and the Swiss, and, later, the Belgians and the French, vied with each other for Oriental custom. Trade was stimulated by these efforts, and the English were spurred on to maintain their place in the markets by the good quality and cheapness of their goods. Some diversions of the trade routes, and minor effects upon the towns, have to be traced to this enlargement of traffic. The Black Sea ports were also utilised, and the ancient path of commerce, from Trebizond through Erzeroum, reopened. Many of the goods from the great fair of Leipzig were disposed of along this course, until temporarily obstructed by Russia, when the line of Redout-Kaleh, east of the Black Sea, and Tiflis, in Georgia, was made use of. Russia allowed the free passage of goods again in 1832, and the former route was resumed. Smyrna, once the great entrepôt of the Levant, the centre of the whole of its commerce, suffered in its trade from these circumstances. The trade was still further diminished by the rising commercial importance of Constantinople, of which it was long the rival. A tendency set in amongst the merchants of Smyrna to remove their residence to the capital, where many of them had settled.

Independent Tartary, or Turkestan.—Bokhara, the capital of Turkestan, was always the mart of the caravan trade of

Central Asia, to which the merchants of India, China, and Russia yearly directed their steps, while Samarcand, once the residence of the Great Khan, was fallen from its high position. Bokhara headed the list of the towns for industry, although some amount of manufactures, as well as attention to husbandry, distinguished all the towns of this region.

A great caravan, consisting of from 1000 to 1500 camels, travelled annually from the southern provinces of Russia, laden mostly with goods, especially metals, from the fairs of Nijnii Novgorod. From India and Cabul came indigo, cotton, spices, sugar, and fabrics, three-fourths of which were of British make. From the garrison towns of Cashgar and Yarkand, Chinese tea was obtained, of which the people of Turkestan were as fond as the Chinese were of the Persian opium, for which it was exchanged. Nankeens and bullion came also from China. A *small* trade was carried on with the Persians, with whom the Turcoman tribes were constantly at feud, embittered by minute differences in their religious tenets. Amongst the exports from Independent Tartary, we find raw silk, cotton, wool, lamb-skins, and horses. Slavery and the slave trade existed in the country, many of the slaves being Russian serfs, stolen during incursions into that empire. The open country was infested with hordes of daring robbers, who, until the Russians advanced into Central Asia, were accustomed to levy black mail, even upon the caravans of that nation. The Russians gradually succeeded in getting a hold upon the country, and in 1865 established the new province of Turkestan.

Afghanistan possessed commercial importance, mainly as the only highway between India and Turkestan to the north, and between India and Persia to the west. Cabul was the depôt for the first line of traffic, Candahar for the second. The Afghans were nomadic, living upon the produce of their flocks, and upon plunder. We find Indian commodities brought by caravan to Cabul, and, from the

time of the British ascendancy, manufactured goods of our own country were added. These were exchanged for horses, asafoetida, and dried fruits,—the produce of the country,—and for the wares brought from Russia and Turkestan. Persian and Indian caravans made their respective exchanges at Candahar and Herat.

Although the British, in 1842, subjugated Afghanistan, the fierce character of the Afghans and the profitless nature of the country rendered it undesirable to annex the territory to India. It was therefore evacuated; but it continued during this period to form an invaluable outwork to our Indian possessions. *Peshawur*, situated within British territory, was a town of 105,000 inhabitants, west of the Indus, standing in the midst of a plain watered by the river Cabul, and covered by a forest of fruit trees. The Punjab, or region of the five rivers, was the continuation of the plain on the other side of the Indus. No part of India surpassed these districts in fertility. Grain and fruit, sugar, indigo, and cotton, were produced in abundance. That it was a land of plenty may be inferred from the current cost of food in 1839:—65 lbs. of wheat, 1 rupee (2s.); 95 lbs. of barley, 1 rupee (2s.); 1 sheep, 2 rupees (4s.); 1 ox, 12 rupees (24s.)

“Nature has endowed these fine regions with rich mineral resources. Excellent iron abounds, and saltpetre, sulphur, and table salt have, since the annexation of the Punjab, been prepared. The native Sikhs are a fine and brave race of much intelligence.” Their manufactures of cotton fabrics, coarser than those of India, were so well suited to the wear of the mountain tribes, that British cottons stood for a long while no chance against them. With respect to the working of iron, the Sikhs confined themselves to the manufacture of fire-arms and swords, in which they exhibited great skill. The city of Lahore was the most noted place for the fabrication of weapons. The steel used in the workmanship was of the same quality as that formerly employed in the manufacture of the celebrated Damascus swords. An

impetus was given to the trade of the Punjaub and Peshawur by removing the obstacles to the navigation of the Indus and the five affluent rivers, and thus opening them up to steamboat traffic.

Cashmere, with which country we associate the silky, soft, and warm shawls, which all the manufacturing and scientific skill of England and France could barely equal, was an independent kingdom under a Sikh ruler. It was subjugated in the early part of the nineteenth century by Runjeet Singh, whose oppressions drove many of the natives to settle in distant parts of India, much to the detriment of Cashmere. On the conquest of the Punjaub, in 1846, it was separated from the British portion of that territory and recognised as a sovereign state. In Bokhara the commercial dues were kept low, in order to bring trade to the country. Without mines or metals to replenish the supplies of money, which left the country in payment of British manufactures and Indian produce, bullion and coin were often very scarce, an inconvenience which rectified itself by receipts, in due course, from Russia and China.

Asia Minor presents us with commercial phenomena of a different kind. Silver and other metals were found in considerable quantities, but iron was absent. Yet hardware and steel goods were made, and unmanufactured iron imported from Russia, Sweden, England, and Austria. Earthenware and glass were furnished by Austria and England. France supplied household furniture but the balance of trade stood in favour of Turkey. Customs and duties at one time interfered with this trade, though they were not extravagantly high. They have, however, since been reduced to the lowest rate. Similar remarks apply to Persia, where the commercial dues remained of a moderate character, and where in the early years of intercourse, both Russia and England were exempt from every inland toll. The ignorance and indolence of Persian rulers did more harm by farming out the tolls—a vexatious system of collection—

than the taxes themselves produced by their incidence or amount. No Oriental state with any pretension to a settled government, continued more behindhand than Persia in in all that appertains to national well-being.

The whole revenue of the kingdom was only valued at £1,500,000; yet under these unfavourable circumstances the chief item of export—that of silk—to England alone reached the annual value of £1,100,000. This extension was achieved by the introduction of Japanese grain or eggs, and of a new variety of silkworm, not affected by the epidemic that had seized the native worm, and partly also by the irrepressible enterprise of the English; but more than all perhaps by the plain and simple fiscal policy adopted by the Persians of letting trade alone.

CHAPTER XVIII.

CHINA FROM 1790-1885.

THE Chinese trace their origin from mythic ages, yet have ever been, according to western ideas, without the pale of authentic history. The historical records of the Celestial Empire are of high antiquity, a period of from three to four thousand years, at least, being assigned to them, and an unprejudiced account has yet to be written from data furnished by native historians. The Chinese are a literary people, and their books, which they readily sell to strangers, give minute details on every subject relating to their country, but the language is so difficult that their volumes have been hitherto little better than useless on our shelves. Yet the evidence which has been brought to light in reference to præhistoric man and the antiquity of the ancient civilisations of Egypt and India, render the claims of the Chinese to a remote origin deserving of attention. The authentic history of China commences with the epoch of Confucius, who died 480 B.C.

Many of the great discoveries of European civilisation were anticipated by the Chinese, but remained in the unimproved form of their primitive development. Down to the year 1885 very little more was known as to *internal* China for active commerce than at the beginning of this epoch.

“The almost universal occupation of the people is that of husbandry, favoured both by the extreme fertility of the soil, and by prescriptive customs. We still find nearly the whole of the country laboriously cultivated with the spade or the plough. There are no pastures or meadows, and

many wide regions are treeless. Grazing and pastoral farms do not exist. Few domestic animals are used as beasts of burden, human labour is employed instead, being both cheap and abundant. The hills are generally cultivated to their summits, the sides laid out in terraces, often laboriously formed of soil brought from the plains, and fertilised with water lifted from the valleys by means of the chain pump. The copious water system and the general level character of the country facilitates the construction of canals of grander dimensions than any elsewhere, which serve for irrigation as well as for inland transit. Water is a vital necessity to the myriad inhabitants, for their great object is culture, and their chief food is rice, which requires in its early stages an excess of moisture. Everywhere the soil is employed in the production of food, the demand for which, from a dense population, is so extensive that the question of utility overrides every consideration of taste or beauty. Pleasure grounds and flower gardens are, therefore, rare. An untiring industry applied to small allotments is rewarded with enormous crops of the staple food, and of the less valued grains—millet, barley, and wheat. The sweet potato (*Batatas edulis*) and *potsai*, a kind of white cabbage, as well as most of the European culinary vegetables, are extensively raised. A water lily called the lotus is grown for its root and seeds, especially near Shangtung.

“We notice that agricultural produce is necessarily varied over so many degrees of latitude. In the extreme southern provinces the tropical products of commerce are obtained. These provinces are believed to be the centre whence the sugar-cane first spread. The cocoa-nut and other palms, and the camphor laurel (*Laurus camphora*) here come to perfection. Tobacco, indigo, olives, cotton, and the bamboo extend through the warm provinces adjoining. The bamboo-grass is invaluable to the Chinese. It grows fifty feet high and twelve inches in girth; it is utilised in endless forms; it is the chief material in building and in furniture.

and supplies fuel, clothing, and food; it grows on every farm, and supplies the place of trees; its tender shoots are boiled as a vegetable or candied as a sweetmeat; its fibrous bark is the chief source of paper, and a silicious concretion in the stem is used as a drug under the name of *tabasheer*; implements of every kind, baskets and fishing-rods, rods for flagellation, umbrellas, soles of shoes, hats, shields, cloaks of the leaves; sails, boat covers, pillows of the shavings; miles of water pipes are made of it; in the houses and fields, on land and water, in peace and war, it is in demand; in company with the cypress, juniper, and pine, it waves over and marks the tombs. It is to these regions also that we owe silk and the mulberry-tree, upon which the silkworm feeds.

"Tea, the great staple export, is produced in the temperate hilly districts, from Canton, 23° N. lat., to Hang-choo-foo, 31° N. lat.

"One cause of the repugnance of the people to animal food arises from their doctrine of the transmigration of souls, which is sedulously inculcated by the priests of Fo or Buddha, and inspires the eater of beef or mutton with a fear of possible cannibalism. Nevertheless the lower order of Chinese risk the consequences, and readily devour vermin and carrion. The dog is the sole quadruped eaten by all classes. Milk is little used; butter and cheese are unknown. One source of food in universal favour, and unfailing in supply, is that of fish, with which all the rivers abound, and which are caught in various modes, the most curious being the employment of trained cormorants to dive for them. Artificial hatching of spawn, in egg-shells, for the continued replenishment of the rivers, has been practised for many generations. The sea fisheries are quite neglected.

"We also find the mineral kingdom supplying the raw materials for various industries. Coal is abundant; there are too springs of petroleum, and in other parts brine springs,

from which salt is prepared. Lenses have long been made, both concave and convex, from the rock crystal of Fokien. The ancient art of porcelain-making, which defied the science and skill of Europe for many years, owes its excellence to the prevalence of the kaolin clay. The precious metals are obtained in the south-west provinces adjoining Burmah. Copper, zinc, and iron are found in various parts. Quicksilver mines exist in the province of Quei-chow. Yuman is most prolific in metallic ores and other useful minerals, but everywhere the mining industry is unskilfully pursued." *Second edition.*

These resources of China continued to be the principal bases of the national wealth, several constituents of which possess an economic history of great interest, and have exercised a wide influence upon the well-being of mankind beyond the confines of China. In the empire itself various manufactures of ancient origin were developed from native raw materials; such for example as the manufacture of porcelain, or "China ware," as services of this beautiful substance were called when brought to England. Its fine hard texture and power of withstanding heat for centuries excited the emulation of European potters in vain. Its manufacture in China is supposed to date back to the seventh century, if not earlier. The best porcelain was made in the Kiang-se province, at the celebrated furnaces, more than five hundred in number, of Kin-he-chin, east of the Payang Lake; the produce being transported to Nang-chang-foo for sale by canal. Commoner porcelain for foreign trade was made at Chaon-king-foo, west of Canton. the kaolin clay employed consists of silica with alumina, together with a trace of iron and a little potash or soda. It is derived from the oxidised felspar of granite. The glaze is formed of white quartz finely pounded, and rendered fusible by admixture with an alkali contained in the ashes of ferns. But we find the products of the furnaces of Worcestershire, Dresden, Berlin, and Sèvres now surpassing

the porcelain of China, and particularly in respect of painting, gilding, and taste in design. Nevertheless the old blue "willow-pattern" plate, so indifferent to the laws of perspective, reminds us everywhere of the extent of our obligation to the Chinese for our progress in this division of manufacturing industry. Porcelain was first introduced into Europe by the Portuguese, in whose language the term *porcella* means a cup. By others the name is derived from that given to the substance of univalve shells, which, in turn, were said to be porcellanous, from the resemblance of their curved surface to the raised back of a *porcella*, or little hog.

Silk.—The manufacture of silk amongst the Chinese claims a higher antiquity than that of porcelain, native authorities tracing it as a national industry for a period of five thousand years. From China the looms of Persia and of Tyre were supplied with raw silk, and through these states the Greeks and the Romans obtained the envied luxury of silk tissues. The introduction of silkworm eggs into Europe was due to two missionaries, who brought them concealed in a bamboo to Byzantium. The food also of the silk-worm, the white mulberry (*Morus alba*), is of Chinese origin.

In some parts of China the silk-worm lives upon trees in the open air, requiring little care or attention until the cocoons are gathered. The finest silk was produced in the parts adjacent to the thirtieth degree of north latitude, where the mulberry plantations are carefully tended, shelter is provided for the worms, and assiduous care taken to preserve quiet and the requisite temperature. While the Chinese produced, age after age, their silk crapes, damasks, and figured satins, of undeviating quality, the Western nations made advances in silk weaving which left Chinese skill far in the background. These remarkable people fail in inventive power, but possess imitative ingenuity almost beyond belief. As they will faithfully reproduce, to order,

the highest trophies of the British ceramic art, even to the exact copying of a flaw or crack, so will they imitate in their simple looms the most beautiful fabrics of Lyons and Spitalfields, without being thereby inspired to improve their own products. China crape shawls were of an excellence such as the best imitations in France and England found it difficult to surpass.

Cotton.—The Chinese obtained celebrity for the fineness and delicacy of their cotton manufactures long before America had produced a pound of the staple, or Manchester had woven a yard of the fabric. Nankin cotton, naturally of a light buff colour, was early in favour amongst us, the cloths being called *nankens*. This, as well as white cotton, is the produce of the herbaceous variety of cotton plant, although tree-cotton is also grown. Every process of working the fibre remained primitive in its simplicity. A rude handmill, or roller-gin, consisting of two horizontal fluted wooden rollers, which revolve nearly in contact, at a little height above the ground, was employed to clean the cotton from the seeds. By these means about sixty pounds of cotton could be cleaned by one man in a day. The looms were equally rude in construction. Our first notice of the cotton manufactures of China is gathered from the travels of Marco Polo towards the close of the thirteenth century. It is probable that the use of the fibre for clothing was introduced at the period of the Tartar conquest, and struggled into favour, as the best form of clothing for the tropics, against the opposition of prejudice, especially that of the silk producers. At this period we find it in universal use, but the country did not yield enough for the wants of its vast population.

Minor Manufactures.—*Papermaking*, from the inner bark of the mulberry, the bamboo, rice straw, and other materials, has been carried on for nearly two thousand years. The India-paper of commerce was of Chinese manufacture, coming from Canton as wrappers for silk goods. Despite the anti-

quity of the art, the paper continued of the flimsiest texture, much discoloured, and so thin that the printing could only be applied to one side of the sheet. Printing itself is an ancient Chinese art, its origin being traced to the tenth century, but with the usual stationary character of Chinese skill, it had not as yet advanced beyond the method of "block printing," similar, but not equal in merit, to the craft of our paper-stainers. The beautiful rice-paper of the Chinese, used by the native artists, and taking the most brilliant colours upon its surface, is not a true paper, but the pith of an herbaceous plant (*Aralia papyrifera*), which is cut spirally, with great skill after the fashion of the cork-cutter, and unwound like a sheet of paper, rolled round a ruler, and then flattened by pressure.

Indian-ink was a Chinese manufacture the preparation of which was for a long while not understood in Europe. It was employed in China for every purpose for which we use a variety of inks. It was once imagined to be the product of the ink-bag of the cuttle-fish, and analogous to sepia, but is really a compound of gluten and lamp-black, with a little musk, bound together by animal size.

Gunpowder was made in China before it was known in Europe, but its properties have been turned to account in the pyrotechnic art rather than in war. Chinese fireworks were remarkably ingenious, but the army was supplied with matchlocks of a fashion long since discarded in Europe.

The amount of thought displayed by the Chinese in their industrial inventions must have involved a long and progressive history. While with the Western races a steady if not rapid advancement marked more modern times, the strange phenomenon of Chinese history is that of progress abruptly ended, and an unimprovable fixity of life and manners stamped upon a third of the human family. Thus we find printing and paper, while they made literature the sole avenue to the highest rank, underwent little, if any improvement; the possession of gunpowder led to no

martial development, and acquaintance with the mariner's compass never stimulated maritime enterprise. Again, the ingenuity of the Chinese was minute and unwearied, displaying wonderful powers of endurance, but possible to a low order of intellect. These characteristics were shown in their embroidery, dyeing, varnishing, filigree work, and ivory carving; examples of the last being seen in the nests of elaborately-carved balls, one within another, cut out of the solid, without a join, sometimes to the number of ten or a dozen. Their fans and artificial flowers were nowhere excelled, and the slavish fidelity with which they copied European models rendered it occasionally cheaper to reproduce them in China than at home. Division of labour was resorted to, to a large extent. This was exemplified in the porcelain works, many of the products of which are said to have passed through forty hands. The monotonous reserve of the Chinese doubtless tended to the conservation of the empire, but it also cut them off from the civilising benefits which foreign intercourse confers.

Commerce.—There are indications of the commerce of China having extended in ancient times considerably to the westward. The Arabs probably gained from Chinese mariners their knowledge of the polarity of the magnet. It is a fact, however, that with resources unapproached by the great mercantile nations of ancient or modern times the Chinese for centuries have not merely been passive, but have systematically discouraged intercourse with foreign nations. Traders belonged to the lowest social grade, and those who held intercourse with foreigners were regarded as the lowest of this grade. Manufacturers ranked above merchants, and husbandmen were only second to the learned class. Wealth, however, as in European societies, made many social distinctions void.

“Of commerce confined to the Chinese, we notice the internal, amongst each other, is far more important than the external or foreign trade. The numerous canals and high-

ways create and facilitate an enormous domestic interchange. The Imperial Canal, the medium of communication between Peking and Canton, a distance of twelve hundred miles, is of grander dimensions than any other canal in the world. Such is the extent of the water-ways that a floating population of many millions subsists on board the river craft, having little connection with the people on shore except in the way of traffic. The country is so extensive, and its resources are so various, that an almost incalculably valuable trade exists in the natural and artificial productions of the different provinces.

“Foreign trade is both overland and maritime, and in each direction has existed from time immemorial. Native merchants in ancient days visited the Red Sea, and in modern times a few even have been allured by hopes of profit to distant foreign ports. All the commercial nations of antiquity held an intercourse, direct or indirect, with China. During the Middle Ages the Arabs, and afterwards the Italian merchants, conducted a very lucrative trade. Silks, bullion, tea, china-ware, musk, and other commodities have ever been objects of exchange of the caravan trade of Central Asia, of which Cashgar and Yarkhand are the frontier cities, and Bokhara the great emporium. Commercial intercourse has at last been established between Yarkhand and our possessions in India.” An unimportant trade was carried on through Siberia with the Russians, particularly in the finest-flavoured teas, which thus reached Europe without injury, but were not able to retain their delicate aroma through the sea passage. Overland intercourse was still further pursued with the dependent territories of Mongolia, Manchouria, and Thibet, and with those parts of Burmah and Anam abutting on the Chinese empire.

Maritime traffic was carried on in the clumsy junks or native vessels with Japan, India, Java, Manilla, and other East India islands. One strange object of barter with the Javanese consisted of the edible bird's-nest, used by the

Chinese in their soup as we use vermicelli. The demand for this commodity was so great that an annual importation took place of the value of several hundred thousand pounds.

The maritime traffic may nevertheless be described as wholly in the hands of foreigners. It is this fact which gives interest and significance to its modern and recent history. The first Europeans visiting China of whom any record remains were the three Polos, in the thirteenth century. The narrative of Marco Polo, the most eminent of the family, is a mine of information not yet superseded. In 1586 the seaport of Macao, at the mouth of the Canton River, was ceded to the Portuguese in recognition of services rendered.

This privilege was fettered by many irksome restrictions. Canton was the only port open to foreign commerce, until the year 1842. Merchants with their families were not allowed to reside in the port, and official interferences impeded every stage of dealing. Trade was strictly confined to a specified number of native "Hong," or merchants, who had to be answerable for the conduct of the "barbarians," or "foreign devils," with whom they traded. The customs were capricious, and the government officers were extortionate and corrupt. For two centuries innumerable indignities were submitted to by the commercial states of Europe. The British trade with China was comprehended in the monopoly granted to the East India Company, by whom the price of the staple article of tea was regulated, there being no other sellers allowed. Various abortive embassies from England attempted to establish freer and more equitable relations. The first embassy was sent in 1793.

The nineteenth century has been eventful in the history of Chinese commerce. The United States, soon after the revolutionary war, commenced an intercourse, which rapidly increased, and though British trade with China continued to overshadow all other, yet America soon stood in advance of every state except England.

The privileges of the East India Company lapsed in 1834,

when, by Act of Parliament, the trade was thrown open to every British subject, and a vast impetus was communicated to it, the effects of which were quickly seen.

The year 1838 opened a new chapter in Chinese policy. An illegal traffic in opium had long been connived at by the mandarins, who were themselves opium-smokers, till the menaces of the Government, repeatedly issued, came to be regarded as empty protests. The habit of consuming this drug had become ineradicable with the Chinese. It was produced in India, and its sale was so profitable that the duty upon it was the mainstay of the British Indian revenue. A chest of opium fetching in the market at Bombay from £40 to £50, paid a duty to the Government of £12 10s., and was sold at Canton for £150. Profits of such a nature on the one side, and the eager desire for the drug by the Chinese, broke through every restriction upon the traffic. Upon the appointment of Commissioner Lin to office, in 1839, the law was suddenly enforced, and a seizure and destruction of British opium, to the computed value of £3,000,000 sterling, brought the unprecedented spectacle of a fleet of British men-of-war to seek retribution, or to make reprisals. The war which ensued could have but one termination. It lingered from 1838 to 1842, but the tea trade, pursued under other flags, suffered during the time no material diminution. Nankin was threatened by our soldiery, and the Emperor yielded. An indemnity for the opium destroyed, as well as for the costs of the war, was enforced. The vexatious obstructions to commerce were swept away. The Hongts were superseded, and trade was made free. The contemptuous style of address hitherto used towards the British was discontinued, and an equality of dignity was established between the two governments. The five ports of Canton, Amoy, Fou-chow-foo, Ning-po, and Shanghai, were opened to the vessels of all nations, and Hong-Kong ceded to us. Since the opium war, the trade in the drug did not diminish, but was carried on irregularly.

The Chinese pleaded that morality required the suppression of the opium trade. "If there exists a drug destructive of life, incessant efforts should be made to keep it at a distance. The men accustomed to it can by no means relinquish it. Their faces become as sharp as sparrows, and their heads sink between their shoulders in the form of a dove. The poison flows into their inmost vitals. Physic cannot cure their disease. Repentance comes too late for reform." The imperial state paper, from which this is quoted, proceeds to denounce the trade as causing "an oozing out of silver, whereby the fathomless gulf of the outer sea will soon be the receptacle of the easily exhaustible wealth of the central spring." The fear expressed of the "oozing out of silver" betrays an economic as well as a moral motive for putting an end to the opium trade. Before opium took such an important place in the trade of China, the exports of the country exceeded the imports, and the difference was balanced by specie. A yearly drain of silver ensued amounting on an average to £3,000,000, and this, in the estimation of a half-civilised people, who think the precious metals to possess value above every other form of wealth, was an injury to their country.

By a stipulation, known as the "favoured nation clause," the English commissioner secured in perpetuity the equal enjoyment of all privileges granted by future treaty, with any commercial state whatever. Advantage was taken of this clause when, subsequently, the Americans negotiated a treaty with the Chinese. To enforce the observance of treaty obligations, a resort to war was again necessary, and, in alliance with the French, our military forces advanced to Peking. Upon the conclusion of the contest new ports were opened, making in all twelve, besides the ports of the island of Formosa.

By the terms of peace between Great Britain and China, signed at Tien-tsin, on the 26th of June, 1858, it was agreed "that there shall be a British minister at the Court of

Pekin and a Chinese minister at St. James's, and that official business shall be transacted by each minister on a footing of equality; that Christianity shall be tolerated throughout the Chinese Empire, and its ministers protected; that British subjects shall be allowed, with a consul's passport, to visit any part of the Chinese Empire; that British ships of war may visit any of the Chinese ports, and that measures shall be concerted for the suppression of piracy." This treaty was again enforced at the cannon's mouth by the combined armies of France and England. After sacking the summer palace of the Emperor outside the walls of Peking, preparations were next made for attacking the imperial city itself. Submission was obtained only a few hours before the time fixed for the attack.

On the 24th October, 1860, the English and French ambassadors entered Peking, with a force of eight thousand men, when the Tien-tsin treaty was ratified, and two additional articles were inserted, one to legalise Coolie emigration. On the 26th of March 1861, the English and French embassies were installed in Peking. During the period under consideration there was no further trouble with the Chinese. The full benefit of these extra facilities for trade still remained to be gathered, having been checked for some years by intestine strife in China, and by commercial depression in Europe and America.

Of the newly-opened ports Shanghai exhibited by far the largest commercial development, and greatly surpassed any other in the amount of its foreign trade.

The most notable commodity amongst the exports from China was tea, the trade in which possesses a history hardly less remarkable than that of cotton. An entry in Mr. Pepys's Diary, dated 25th September, 1661, states that he sent for a cup of tea, a Chinese drink, of which he had never tasted before. Three years after, the East India Company's agent was commissioned to buy a small quantity, as a present to the king, from which time tea became an

article of regular trade. A duty of a hundred per cent. was levied upon tea previous to the lapse of the Company's charter, and was a fruitful source of revenue. This system was altered for a series of discriminating duties, which failed from the circumstance that the merchants knew better than the Custom-house officers the various qualities of the teas imported, and did not scruple to pass the best as inferior, at the lowest rates of duty. In 1836 a uniform rate of 2*s.* 1*d.* per pound was imposed on every kind of tea, an amount since reduced by degrees to 6*d.* The tea imported in 1834, the last year of the Company's monopoly, amounted to 33,000,000 lbs., which was increased by one-third in the course of the following year. The average import during this epoch was about 126,000,000 lbs. Next to the English the Americans bought the most tea from China. This for a long time they obtained in exchange for furs; but the Russians, who gradually extended their relations with China, obtained large tracts of land on the Amoor, and displaced the Americans as purveyors of furs. The rapid growth of trade is shown by the following facts.

The quantities of tea shipped from the five ports in 1851 were:—

United Kingdom	65,100,000 lbs.
United States	34,327,000 "
Australia	8,829,000 "
Holland	3,000,000 "
Other parts	2,700,000 "
Overland to Russia, about	15,000,000 "
Total	128,956,000 "

The statistics for the year ending June, 1871, show:—

Exports of tea to United Kingdom, about	132,000,000 lbs.
" " United States, " .	49,000,000 "
" " Australia " .	12,000,000 "
" " Holland, European Conti-	
nent, and other parts, about . . .	2,500,000 "

A considerable quantity sent overland to Russia, must be included, the statistics of which are not obtainable with certainty.

The gross commerce of China at this time exceeded £100,000,000 sterling, including treasure, of which nearly a third was with the British empire: considerably more than half being coasting trade; while that with America, which exceeded the aggregate of all other countries, omitting Japan, barely went beyond a fiftieth. Thus we still retained a practical monopoly of the trade.

We find Shanghai the principal trading port in China: its exports in 1860 were valued at £10,779,319, its imports at £18,326,430, including bullion and opium; in 1867, exclusive of treasure, they were to the value of £25,000,000 sterling.

“Large as these figures are, they are insignificant compared with the commercial capabilities of the empire; as is evidenced by the crowded cities and the magnitude of the internal traffic, still conducted on a rude system of barter. An unbounded market for British manufactures must eventually open, which the keen trading propensities of the people would promote, were it not for the jealousy of the government, a jealousy not lessened by the knowledge of British supremacy in India.” Signs however were not wanting of the cordon of ages of prejudice and pride being broken through, and of a desire for a more unrestricted share in the affairs of the world. Apart from the pressure put upon the government by the events of war, many thousands of the Chinese were allured abroad by the attractions of the gold fields of California and Australia, embassies visited the United States and the courts of Europe, and native merchants not only began to take an active part in the coasting trade of their country, but also to dispense with intermediaries in their foreign trade, chartering their own vessels for direct service, and establishing their own representative houses in the great commercial cities both of

the Old and the New World. Fears were at one time expressed that this activity heralded a policy of ousting foreign merchants from Chinese commerce ; but it seemed more reasonable to believe that the desire for European wares growing with the knowledge spread by enterprising natives of their superiority, and commerce, employing all agencies, would rapidly increase.

The French established several Roman Catholic missions. The English introduced horse-racing at Peking, which became very popular with the Chinese. The Russians constructed a telegraph to Kiachta, on the Siberian border ; and a survey was made by an English engineer for a railway from Canton to Shanghai, and also another line from Shanghai to Peking. Tientsin also greatly improved since it became a trading port, and was soon transformed from one of the dirtiest to one of the handsomest of towns. In the foreigners' quarters, so called, the land was well raised, so as to ensure drainage and dryness, and a spacious quay and promenade, faced with solid masonry, formed along the river ; wide streets were then laid out and many handsome European houses built.

It would not be easy to estimate the number of emigrants from the Celestial Empire to the gold diggings. There were more than fifteen thousand at the Victoria gold fields in 1870, and Dutch merchantmen alone carried to California over thirty thousand within a few years. If the ultimate benefit to China from this outflow could be ascertained, it would probably be found greater than the influence of all the gold which the diggings have yielded. "There has since been a continued exodus of Chinese, who have swarmed over Australia and our Eastern settlements, and who are perhaps destined eventually to compete with the free negroes in the Mississippi valley. The Chinese are not properly colonists, they are temporary settlers, who when they have made for themselves a frugal provision by their industry, return to the Flowery Land."

CHAPTER XIX.

JAPAN FROM 1790-1885

OUR earliest knowledge of this empire was derived from the descriptions of Marco Polo, the Venetian traveller, of the thirteenth century. Mendez-Pinto visited Japan in 1535 or 1542, and soon after the Portuguese effected a settlement. At this time Portugal was in the meridian of her power, and commercial intercourse, begun under favourable auspices, soon became extensive. Interfused with the desire for trade was that of converting the Japanese to Christianity; a mission upon which a number of Jesuit priests were sent, and in which they met with unexpected success. The Portuguese, however, fell into the error of disdaining the Japanese. Rancorous disputes arose with the priests, and a reaction set in against the Christians. Presuming upon their influence with the Japanese Government, the Portuguese conducted themselves as masters of the country, and made their ambitious designs apparent. The effects of this folly fell first upon their converts, thousands of whom were massacred to prevent their siding with the Portuguese, as well as to afford an outlet for religious animosity. Another source of peril to the Portuguese was the presence of British and Dutch traders. Philip II. being at war with Holland, the Portuguese were exposed to the reprisals of the Dutch. One of their vessels was captured, on board of which papers were found disclosing a conspiracy to subvert the Government, and the Dutch communicated the fact to the authorities in Japan. The jealous disposition of the Japanese put an end to such machinations by driving the Portuguese out of the country,

and sealing their coasts against foreigners. Even the friendly Dutch, who alone were admitted to trade, were not allowed to reside in Japan proper, but had the small island of Jesima or Djecima, connected with Nagasaki by a bridge, allotted to them for a factory, where, restricted to eleven vessels annually, they were under strict surveillance, and had to endure humiliations which the profit they obtained alone enabled them to bear. The nature of the imports and exports, at first left to the traders, soon began to be precisely defined; the Dutch East India Company were still more narrowly limited to two vessels, the crews of which were to be secluded from the natives during their stay. Beside these severities the trade was often suspended altogether upon offence either given or fancied.

Thus the short-sighted arrogance and cupidity of the Portuguese, acting upon the suspicious prejudices of this narrow-minded people, shut Europeans out of the Japanese Empire during two hundred years. With the Chinese, intercourse was freer, but not extensive.

Holland continued, as far as possible, its commercial connection with Japan, during all the disastrous period from the breaking out of the French Revolution in 1789 to the peace of 1815. Her flag waved over the factory even when the Dutch ships were swept from the sea as in the years from 1810 to 1814. As soon, moreover, as peace was declared the old trade was renewed. The Japanese at the same time became somewhat less exclusive, for they opened their ports to the inhabitants of the Loo Choo islands and of Corea, as well as to the Chinese.

Every European state envied the Dutch their privileges, and the United States made many efforts to obtain a footing in the country. The Japanese began to perceive, when the Chinese could no longer hold out against the pertinacity of European traders, and first with the British, then with the French, the Russians, and lastly with the Americans, were forced into commercial amity, that the like fate was imminent

to Japan, and that they could not much longer frustrate the determination of the merchants. The Dutch themselves advised a relaxation of the commercial exclusiveness. A treaty with the United States was therefore concluded in 1854: a similar treaty with Great Britain followed in the same year, and one with Russia in 1855. Nagasaki and Hakodadi were made free to the ships of these countries in 1856 without the humiliating conditions attached to Dutch commerce. In 1858 Lord Elgin proceeded on a mission to Japan, taking with him a steam-vessel as a present to the Emperor. He obtained an enlargement of the commercial treaty, and in the succeeding year Sir Rutherford Alcock was appointed Consul-General in Japan. Between 1860 and 1862 a Japanese embassy visited New York, France, England, Holland and Prussia. A brother of the Tycoon (as the temporal ruler of Japan is usually styled by Europeans) came over to England. Our knowledge of the islands greatly extended, though it was acquired in the face of many misunderstandings. Attacks were made upon the British embassy in 1861 and again in 1862, and ill-will towards foreigners was repeatedly evinced. These acts were followed by retaliatory measures, in which the Japanese suffered. On various occasions the Government broke through the treaties and tried to revoke the privileges previously granted, conduct which was met by a display of European and American naval power. Yedo or Jeddo, Osaka and Hiogo, were opened to European commerce. English merchants and bankers established themselves at Yokohama, the port of Yedo, and prospects of an extremely valuable commerce developed.

During this period there was no fresh renewal of religious antagonism. The collisions between the Japanese and the foreign traders had only a commercial origin. By a curious inversion of the sentiment that influences most industrial states, the Japanese were not so anxious to keep foreign merchandise out of their country as to retain their

native goods at home. A belief prevailed that the country was impoverished by exporting its copper, silk, and other produce, but that it was enriched by importing. Efforts were therefore made to increase the imports and to diminish the exports, with apparent blindness to the fact that interchange must inevitably equalise itself, and that the balance of trade must be rectified with specie. The fact is remarkably illustrated in the British trade, which has capriciously varied in value and amount since 1860.

Date.	Exported from Japan.	Imported into Japan.
1860	£167,511	£2
1861	538,687	43,631
1862	591,885	254
1863	1,283,631	125,628
1866	273,745	1,559,750
1867	317,799	1,694,008
1868	181,222	1,112,804
1869	167,308	1,442,104
1870	96,173	1,609,367
1884	662,441	2,604,490

The year 1862 was disturbed by a fanatical attack upon the foreign residents, which made them change their residence from Yedo to Yokohama. In 1865 treaties were ratified with England, France, and others powers. At the same time alarm was evinced at the rapid growth of foreign trade, and obstructions to the treaties were created by the same hand that signed them. The Government had not then learnt the economic truth "that to encourage commerce is to invigorate its own power and resources." In an official report for 1864 upon the trade of Yokohama it is remarked that an abundant crop of silk had been gathered, and that great quantities were intercepted by the Government on the way to the port, to the great indignation of the native merchants who would gladly get the high prices offered for their commodity by the foreign traders.

All the oriental races have a passion for silver bullion, and it by no means tended to remove the dislike of the Japanese towards foreign traders that they were obliged in lieu of silk to part with their cherished silver.

The most elementary truths of political economy, as a science, were unknown to the Japanese. Natural sagacity made them conform to many correct principles, but others that require to be sought for more than surface deep were intermingled with error, and were violated as flagrantly as in Russia or Spain. Their monetary matters afford an example. Acute Europeans saw a way of taking advantage of the crude measurement of values, and speculated in silver specie in such a way that the ancient fears of foreign trade seemed likely to revive. The last few years saw considerable change in Japanese sentiments. To England and America a considerable number of Japanese youths, of both sexes, were sent by their Government, to acquire, and afterwards return and impart to their own countrymen, a knowledge of the arts and sciences of the West. The Mint of Japan, however, was placed under an English superintendent, and there was to be an end of the rude Japanese currency with its rectangular plates of gold and silver.

Japanese exports comprised bar copper, silk, tea, tobacco, camphor, vegetable wax, cotton, galls, and lacquered or japanned ware, the imports being European manufactures and goods similar in kind to those taken by China, India, and other Eastern states.

CHAPTER XX.

SUMMARY.

FOURTH PERIOD.—RECENT COMMERCE FROM THE FRENCH REVOLUTION IN 1789 TO 1885.—COMMERCE OF THE NINETEENTH CENTURY.

THE history of nineteenth century Commerce is divided into three periods, well defined by alterations of commercial policy.

1. From 1789-1815, comprises the epochs of the French Revolution and of the First Empire.

2. From 1815-1845, deserves to be designated the Age of Protection, in contradistinction to

3. The period from that date to 1885, during which the principles of Free Trade were acted upon by England and found partial acceptance abroad.

The salient commercial feature of the First Period, was the Continental System, established by Napoleon's Berlin Decrees, and reduced to a code in the Decrees of Milan. Its object was to ruin England, by cutting her off from her European customers. The effects, however, recoiled upon France, by depriving her citizens of English goods, which had from use become a necessity, while the blockade, far from being successful to the extent intended, urged England to seek a wider range of commerce. Every European state has been influenced by the wish to resist the preponderance of the United Kingdom, in manufacturing industry and in foreign trade. This desire has been an incentive to excellence in workmanship, and produced such success, that in order to keep British industry abreast of Continental, great efforts were made to establish technical schools, and provide

instruction in science and the arts of design. Attempts to banish British fabrics from use on the Continent met with but partial success, and that at the cost of the consumer.

The most judiciously framed and lasting combination against British industry was that of the Zollverein or Confederated Customs' Union, initiated by Prussia, in 1818, and generally adopted in Germany in 1834. Great economy was effected by the collection of tolls, once for all, on the common frontiers of Germany, instead of levying dues, as heretofore, in every state through which merchandise had to pass. By lessening thus the cost of production native industry was fostered, while British goods were as far as possible excluded by prohibitive tariffs. The unity of the German Empire, now an accomplished fact, assisted to bring about a still closer identity of interests amongst the confederated states, and promote the growth of German industry and commerce.

The United Kingdom retaliated for many years by excluding from British ports foreign ships and merchandise, particularly grain. Since 1846 this policy has been totally changed, and British trade made free to all the world. The increase in exports and imports, since this great reversal of principles, has been unprecedented.

From the breaking out of the French Revolution in 1789, to the battle of Waterloo in 1815, there was almost uninterrupted war. Napoleon's Continental System affected injuriously the prosperity of every European state; and there was not one, while in arms against the French, but was dependent, more or less, upon England for the means of keeping troops in the field.

Looking back at the system of subsidising foreign states, we see little result from the policy pursued. It was the occasion of wars being prolonged, and of fresh ones being commenced, whose interference with industry and commerce caused much greater loss than was covered by the subsidy. The ties of race are stronger than the bonds of conquest.

Blood and treasure were wasted, and Europe was thrown back for several generations. Had the sentiments and manners of the eighteenth century encouraged industry, intercourse, and education, instead of slaughter, the aspirations of the German people for unity might have been sooner realised.

The foundations of the prosperity of Great Britain were strengthened during the gigantic struggle with France. Great as British commerce had before been, there were presented in Asia further fertile fields of enterprise, from which rich harvests began to be gathered.

2. At the conclusion of peace in 1815, social and political changes had grown too complex for affairs to resume their former state at once. Millions of men had been withdrawn from productive industries, and their energies employed in destruction. They lavishly consumed the stores of previous ages as well as the hard-won products of present labour; in economic language, they lived upon the capital that should have been applied to industry, and produced nothing. Loans had been resorted to, and the labour of future generations mortgaged to repay them. France lost her colonies, her fleet, and for a time her foreign commerce. England became burdened with a debt which the gold of the whole world was perhaps insufficient to redeem, and which at its greatest, amounted to nearly a thousand millions sterling. The interest alone at the end of the war was twice the whole revenue in 1789. In the last year of peace, 1792, the expenditure was under £20,000,000. In 1814 it was nearly £107,000,000, and the expenses of the preceding year were well-nigh as great. To meet these prodigious demands, every commodity, raw and manufactured, was fettered with customs or excise duties. Labour was thus placed at a disadvantage, while food rose to famine prices.

3. Science and inventions have, notwithstanding, done more than war to mould subsequent history. Steam power

applied to machinery and locomotion, and electricity to telegraphy, have been among the chief agents in bringing about an economy of labour and time, the results of which surpassed all former experience. Industry, with a career before it of an altogether higher range, seemed to be started anew. Nations once thought to be shut out by nature from emulative exertions, were brought by the aid of science into the front rank. Switzerland, the home of the mountaineer, hemmed in by powerful states, without a port, with soil almost too scanty to grow food for the people or herbage for the cattle, without coal or metals, rose superior to these drawbacks, and became renowned for its manufactures, and, in parts, for its dairy farms and grazing lands.

America assumed a most important place in later commercial history. The United States won their freedom, and, by repeated accessions, their territories reached imperial dimensions. The enterprise of the Anglo-Saxon and other European races found a field of employment in the great republic, whose home industries and foreign trade were second only to those of the mother country. Except in a few colonies and the British territory in North America, the New World remained free from the political control of Europe. The Spanish republics in South America, through intestine jealousies, made no progress comparable to that of the United States, but the liberties they achieved opened their ports, and altered the nature and direction of their trade. Brazil, awakening to the greatness of her splendid resources, in 1871 decreed the liberty of her slaves.

The development of India is another distinctive feature of this century. About two hundred years ago a few humble adventurers sued for permission to trade with the subjects of the ancient princes of India. But at *this* time from the Himalayas to the Indian Ocean, from Cabul to Burmah, a vast area of a million squares miles, with a population of one hundred and fifty-one millions, owned

the rule of the British Crown. India perhaps rivals Europe in variety of race, religion, social systems, climate, and productions, and possesses a more venerable though less advanced civilisation. Since the mutiny of 1857, this magnificent territory became directly subject to the British Crown. The charter of the British East India Company was taken away, and trade thrown open to India and China. Indian affairs were managed by a Secretary of State at home, and by a Governor-General and Governors of Presidencies and Provinces, each assisted by a Council in India. A higher political morality directed the administration of the Government of India as a trust for the benefit of the inhabitants, and not merely as a means of enriching the rulers.

China, gradually divesting herself of her old exclusiveness, both internally and externally, cultivated the acquaintance of the despised "barbarians." Ships from England and the United States especially, became increasingly numerous on the Chinese seas. Chinese ambassadors visited Europe and America, and Chinese labour found its way into California, Australia, and the West Indies.

As many as three hundred Japanese students, of high rank, were sent by their Government to acquire a knowledge of European civilisation.

The excitement in both worlds caused by the discovery of gold in California was still fresh in the minds of the people. Gold worth 140,000,000 dollars is estimated to have been obtained from California between the years 1849 and 1857. The country continued to furnish us with treasure, and added thereto many valuable raw materials, but its affairs gradually calmed down almost as quietly as though it had no gold fields.

Australia, although not completely explored, rose to a high place in commerce, and by its gold fields and pastoral expanses attracted colonists from every part of the world. Gold, in quantities profitable for working, has since been

obtained in many other places, the presence of the precious metal having been indicated to scientific geologists by the local rock structure. Abundant finds of diamonds, again, drew and attracted many adventurers to the South African Colony.

Greater and more hopeful changes were crowded into this brief commercial epoch than into ancient, mediæval, or modern times. The world at large learnt that self-dependence is not achieved by disdainful exclusiveness and holding aloof from social intercourse. The mutual dependence of a family is a truer self-dependence on the part of each of its members than it would be if disunion deprived them of power. Commerce at this period promoted the freest intercommunication and exchange as it gradually became unimpeded by protective duties. Should this freedom from fiscal hindrances ever prevail *universally*, each branch of industry and production will more and more fall into the hands of those whose skill and intelligence can turn it to the best account. Commerce thus leads to closer fellowships amongst nations, and teaches them that they form but separate provinces of the universal kingdom of mankind.

The British Government largely legislated in the later years for the working classes. In deference to the claims of "the million," taxes on food, on knowledge, on health, on cleanliness, on domestic comfort, were abolished, and the principle laid down that the consumers' claims are paramount; and the liberty of the few—the producers—does not extend, for their supposed individual advantage, to the power of taxing the many—the consumers.

Political disabilities were also removed, and freedom of speech and discussion, of union for regulating wages and other trade objects were accorded, not as privileges, but as legal rights. Working men's clubs and news-rooms, co-operative stores, and even trades unions, now relieved from stringent penal laws, were amongst the most hopeful

industrial features of those days. The Government for several years directed inquiries into the condition of the working classes abroad, and with valuable and highly interesting results.

Acknowledging the fact that it is not the aggregate wealth, or income of a state, but the amount separately enjoyed by the individuals forming a community, that tests its well-being, efforts were made, through the British ambassadors and consuls, to learn what were the relative earnings of the operatives in various parts of the world. By the continuance of these researches, and a comparison of the various wages' funds, a body of trustworthy statistics may at length furnish evidence of the advancement or decadence, relative and actual, of states, and direct attention to conduct and legislation. "Indisputable inferences, based upon the evidence afforded by the ignorance, want, misery, vice, and crime, in our midst, establish the fact that the wealthiest country in the world is still comparatively poor, that the necessities and comforts of life could be indefinitely multiplied without an excess of enjoyment, and that this increase is possible, when the industrial virtues act more effectually, through early education, to mould the character and habits of the producers of wealth."

The enfranchisement of labour and trade effected a silent industrial revolution. Great undertakings once impossible on account of legal difficulties which beset the practice of co-operation were upon the principle of limited liability, now successfully carried on. Banks, companies, partnerships greatly multiplied, and co-operative factories and stores in many instances bridged over the imaginary gulf between the capitalist and the labourer by giving the latter a direct interest in the investment of his savings, and the first profits from trade formerly intercepted by an intermediary master.

With the political enfranchisement of the people, a disposition arose to regard the action of Government as that of the whole community, and to entrust it with duties

formerly jealously withheld. Postal service, telegraphs, savings-banks, insurances, and railways, in some countries wholly, and in others partially, were for the public benefit relegated to state control. Education, sanitary arrangements, the supply of water and of gas, and other objects of national magnitude, also became, or tended to become, subject to municipal or government administration.

The spirit of political freedom also reached the British colonies. Self-government and freely-elected legislatures prevailed in Australia, the Cape Colony, the Canadian Dominion, and every important settlement. In Europe it resulted in a united Germany and Italy and a free Spain, while France was profoundly stirred with the question of her future form of government. The prominent industrial feature throughout the latter portion of this third period is the conflict between the antagonistic principles of restricted and unrestricted trade.

Perfect civilisation and perfect freedom are convertible terms. Conversely, restrictions upon thought and intercourse are distinctive of times of ignorance, and traceable to isolated barbarism. Nature herself is protectionist in the best sense of the term, imposing climatic conditions upon the products of the soil, and appointing bounds to the manifold forms of animal and plant life. Human agency effectively promotes the operation of natural laws, but is powerless to reverse them and to cause abundance where its conditions are absent. Yet this is the purpose of legislative restrictions, whether avowed or not. The protective principle has been as varied in its manifestations as the ages and countries of its adoption, and has sheltered, both in their simplest developments and in their most complex combinations, every phase of husbandry, handicraft, and interchange. Its enactment may, notwithstanding, be founded upon a few simple facts. Where natural resources abound, that is, where there is enough and to spare of any commodity, as the cotton of America, the tea of China, the

wool of Australia, protection is not called for, for it would be "sending coals to Newcastle" to dispatch goods to places where a surplus of home-growth is already looking for buyers.

Where nature furnishes scanty supplies one of two courses may be followed—either a free market will be opened to foreign supplies, and industrial energy will direct itself to produce exchangeable commodities for which the region is favourable, or the scanty native produce will be protected, that is, an embargo or prohibition will be placed upon foreign supplies, in so far as they tend to lessen the profits of home producers. Home growths are thus enhanced in price and consumption is limited, the enjoyments of the community are curtailed, and the many are indirectly made to contribute to the profits of the privileged few.

"The administration of a protective system, in all its ramifications, has been exemplified in England. Excise dues have been levied upon home industries until scarce a necessary of life escaped. Trades guilds and trades unions, in the supposed interests of handicrafts, have interfered still more minutely with free production. Customs dues have prohibited altogether, or have much diminished, foreign imports, while by discriminative dues an attempt has been made to regulate intercourse with our colonies, and with free as distinguished from slave states. Monopolies or privileges of manufacture and of foreign trade have in innumerable instances been granted to individuals and to companies, and navigation acts for two hundred years confined British commerce almost exclusively to native vessels and seamen.

"The British Corn Laws excited and lived through thirty years of class animosity, and fell at length before the logic of famine and sedition. The cotton manufacture in its infancy had to struggle against opposition from fiscal impediments, but at length overcame the rivalry of the woollen

and linen trades, and eventually even benefited these older manufactures, to which its introduction was believed to have given the death-blow. Silk-weaving was anomalously protected. Brought to England by the French Protestant refugees, it was welcomed as a national boon, but for many generations, strangely implying that a blessing might be too widespread, the industry was jealously confined to Spital-fields and Coventry, each locality being again restricted to special branches of the art.

“Experience of the protective principle, in all its bearings, is now so extensive that we are able to predicate the general results upon existing industry following upon its enforcement. It concentrates profits in the hands of a few, and in so far is successful in its aim. These profits are, at the best, abstracted from other branches of industry, in order to equalise suitable and unsuitable enterprises. Profits, however, are proportionate to the extent of trade, which, diminished by restricted competition, and suffering loss from every obstruction, essays to produce a vain semblance of prosperity by enriching individuals. Wherever protection has been adopted, its consequences have been less trade in its entirety, even if a forced market has been formed for home produce, which otherwise would have found no market at all. Wherever free trade has prevailed it has brought increased commercial intercourse, and has generated the most healthful stimulus to improvement.

“The crucial tests of the protective principle as an agent of production are—1. That its enactment should enrich individuals without equivalent cost to other members of the community. 2. That it should create some industries without equivalent disparagement to others. 3. That it should cause production where otherwise there would be none, or equalise the conditions of production, at a less cost than by any other means. Tried by these principles, the British Navigation Laws, as well as the Corn Laws, stand con-

demned ; the first, as limiting competition, and therefore improvement, the second as enriching the few through the suffering of the many ; while, on the other hand, the monopoly of the East India Company, the Hudson's Bay Company, and many patent rights, granted for a term, and not in perpetuity, have been justifiable on the ground that the functions undertaken would, without legislative privileges, have been less economically, or not at all, performed."

In the forcible language of Mr. Charles Tennant :—

"The result of all this experience clearly shows that every relaxation of restrictive duties has been immediately followed by an expansion and increase of trade, much more than sufficient to compensate for the loss of the abandoned duties ; and that, so sensitive is trade to any restraints upon perfect freedom of action, the removal of any impediments, even in the minutest arrangements of official routine, is attended with immediate and sensible effects to the same end—the extension and enlargement of trade, with all the necessary consequences of increase in the rates of profits and wages, and of employment and comforts, to the working classes.

"With such experience of relaxing only the rigid rules of the present system, what may not be expected from the total abolition of all restrictive duties and other impediments to perfect freedom of trade in this country ?

"Even the most sanguine advocate of free-trade could hardly have foreseen such vast results in so short a time from such small beginnings.

"It is, therefore, impossible to calculate beforehand what would be the state of trade in a very few years from the date of its perfect freedom and independence. But this is certain, that, in the absence of any national calamity from other causes, this country would then be in a state of prosperity unexampled in any period of its past history ; and that, the example of this nation would be like a beacon of light to guide other nations of the world into the same track,

that all may be as one nation, with one and the same interest, mutually interchanging, for their mutual benefit, the varied and peculiar gifts of climate, soil, and produce, bestowed on each by a bounteous Providence, whose gifts are limited by no measure, and who would have all Mankind as one People, looking to one and the same God, the Giver of all, and for the equal good of all.

“ This is the first step in the establishment of peace on the firm foundation of one common and equal interest. Nations, like individuals, must learn from experience. They will learn that, in the establishment of peace on earth they are all equally interested. The boundaries of kingdoms will then be of, comparatively, very little consequence, and when the people are duly impressed with all this, as proved to their own conviction, war will be no longer possible. Year by year they will be learning this through consequences which must convince them. They will feel in the freedom of trade their own freedom and worldly welfare, and they will learn to regard the rights and interests of others for the sake of their own, if for no higher and better motives. In this way savage and barbarous people will be first taught to appreciate the comforts of civilisation, and they, in their turn, will become the promoters of civilisation by the same means. Year by year, under this teaching, the shackles of slavery and serfdom must be loosened, and in the end drop off. Slaves and serfs must be set free because it will be seen to be for the interests of all that they should be free. Freedom of trade will then be valued and guarded with no less jealous care in all countries than personal freedom now is in this country. To the freedom of the Press we shall owe freedom of Trade, and we shall know how to value both. We shall claim and exercise the right to buy and sell as freely as we now speak and write. We shall learn to respect the grand simplicity of the Divine Commandments, written on tablets of stone by the first Law-giver, and to submit ourselves more faithfully than we have

ever done before to the Divine Spirit of those ancient and eternal Laws, given for all people, for all times, under all circumstances, and so plain as to require no Commentators. We shall learn through these to see the unwise severity, the feeble folly, and often the wicked injustice of human laws ; and, in the enjoyment of our own natural and lawful rights, we shall learn to respect the natural and lawful rights of others. We shall learn that, what is commonly called ‘accommodating oneself to the prejudices of individuals, or showing a prudent respect’ for strange customs and peculiar habits of thought, or for moral characteristics of nations, is nothing but a just appreciation of the intellectual and moral development of the individuals or nations, and the right employment, in each case, of precisely those agencies of civilisation which are fitted to be most effective. The work of legislation will then be comparatively simple, and the line of duty plain. The necessity of making just laws and enforcing them will then be universally acknowledged and supported, and there will be always a vast majority ready to enforce them. The complicated interests of society will then be no longer the miserable excuse for unjust and oppressive laws. Sovereigns and Governments will then find their own duties much more easy, and their own positions much more secure ;—they will find their best security in the well-being and contentment of the People, and the People will find their greatest happiness in the preservation of peace and good order, which left them free to think and to act in all that concerned themselves alone ; to manage their own affairs in their own ways, and to enjoy the fruits of their own industry.

“The People will then be encouraged to place confidence in sound principles, and they will regulate their own conduct more in accordance with reason and justice,—more consistently with humanity and prudence. They will learn to respect and apply, in the moral affairs of this world, those truths discovered through reason, which, in the physical

world, are revealed to us through the laws of nature, and they will proceed to act with the same confidence in the one as in the other. Thus, they will derive incalculable advantages, far beyond the present reach of human foresight. Irreconcilable difficulties in the present complicated state of human affairs will then be simplified, and by degrees all will become reconciled with reason and truth. Freedom of trade, being seen to work for the equal benefit of all, will be recognised and established all over the world with universal consent, and freedom of thought and action must follow by the same universal assent.

“Thus, a mutually beneficial intercourse would be encouraged with all civilised nations: all would contribute and receive: the bond of union would be always strengthening, and would be held fast by one common interest. Thus it might be—thus it surely will be. It is only a question of time. But the sooner the better, for time must always be a question of life and death. We might then hope to see the world full of free nations, mankind a great family and household constituted of self-governing members, related to each other principally by voluntary ties—of affection and honour and mutual service. We might then hope to see national selfishness perish, and the whole world become a commonwealth of independent nations, with England foremost in the good work of promoting the spirit of human brotherhood.”

SUPPLEMENT.

IT is desirable to present the commerce, or total turnover, of countries, in direct ratio one to another,—for the purpose of comparison.

Hence, the commerce of each (imports and exports), is here given in percentages, calculated from an assumed standard of £100,000,000; because that number is the most convenient, though, as is well known, it is below the turnover of the United Kingdom, the United States, and France. Thus, assuming the total commerce of any one country to be £80,000,000, and that of another to be £105,000,000, a comparison between them is easily expressed in the statements of, “ratio, 80 per cent. : 105 per cent.” Difference, 25 per cent.

The statistics are given in “sterling,” without reference to *market prices*, that is, whether in any one year, a sovereign sterling will or will not purchase more of any one commodity than at another time. ‘England’ in the following paragraphs stands for “the United Kingdom.”

PORTUGAL. Trade is principally with England,—nearly 50 per cent. of the whole, followed by France and Brazil.

In—		p. c.	p. c.
1865, imports from England to Portugal equalled	2.07—exports,	2.47	
1870,	”	1.93	3.02
1873,	”	2.93	4.32
1881,	”	2.09	3.35
1885,	”	1.75	2.67

In 1870 the *total* trade of Portugal was under 5 per cent., in 1881 11.95 per cent., and in 1885 13.8 per cent., showing a steady increase.

Wine is the chief export to the United Kingdom, followed by cork, ores, &c., and the imports are cotton goods, iron, coal, and other textiles.

The quantity of *wine* sent into England in 1869 was .88, in 1870 .95, in 1871 1.3 per cent. in value, and in 1881, after having risen to 1.43 per cent., the value fell again to .88 per cent., and kept about the same up to 1885, when it was .91 per cent.

PORTUGUESE COLONIES.—*Macao* is the most valuable: turning over recently, 4.85 per cent., followed by *Angola*, 1.06 per cent.: *Mozambique*, .48 per cent.; *Cape Verds*, .28 per cent.; *St. Thomas*, &c., .25 per cent., and *Guinea*, .11 per cent.

BRAZIL.—The United Kingdom and the United States take each about 33 per cent. of the entire trade, followed by France and Germany.

The *staple* product is coffee, then cotton, sugar, caoutchouc, &c., in exchange for manufactured textiles, iron, coal, &c.

In—			p. c.		p. c.
1865,	imports from England to Brazil equalled		5.65	—exports,	6.8
1870,	„	„	5.36	„	6.12
1875,	„	„	7.67	„	7
1881,	„	„	6.65	„	6.34
1885,	„	„	5.35	„	4.1

The coffee exports show an almost unparalleled rise; in 1830 the quantity shipped was under 400,000 bags, and in less than 40 years they rose (in 1867) to $2\frac{3}{4}$ millions of bags, valued at 8.77 per cent., while in 1885 the value was about 14.00 per cent.

Coffee to England has declined a little in late years, being valued in 1883 at 1.1 per cent., and in 1885 at .47 per cent.

SPAIN.—Trade has steadily increased; it is divided in the following order, France about 48 per cent. of the whole trade, England about 35 per cent., and the United States about 10 per cent. The chief export to England is wine, followed by ores and fruit, in exchange for textiles, iron, and coal.

In—		p. c.		p. c.
1865, imports from England to Spain equalled		2.35	—exports,	4.76
1870,	„ „	2.5	„	6.06
1874,	„ „	4.0	„	8.64
1881,	„ „	3.65	„	10.03

In 1885 (after rising to 3.8 per cent. and 11.6 per cent.), the imports from England to Spain equalled 3.16 per cent., and exports 9.46 per cent.

The *total* trade averaged between 1865 and 1874, *exports*, 12 per cent. and *imports*, 19 per cent.; in 1880 they rose to, *exports*, 25.75 per cent., and *imports*, 28.50 per cent.; and in 1884, *exports*, 24.75 per cent., and *imports*, 31.2 per cent.

The *wine* trade to England in 1870 equalled about 7½ million gallons, valued at 2 per cent.; these figures, after rising up to 1873, fell away, and in 1876 were 6¼ million gallons, but valued at the same figure; in 1880 the value fell to 1.47 per cent., and in 1885 to 1 per cent.

SPANISH COLONIES.—*Cuba and Porto Rico.*

In—		p. c.		p. c.
1870, imports from England equalled		2.51	—exports,	5.36
1873,	„ „	2.75	„	5.1
1874,	„ „	1.85	„	3.76
1885,	„ „	1.5	„	.98

The *staple* export is sugar, followed by tobacco, in exchange for textiles.

Philippine Islands.

In—		p. c.		p. c.
1873, imports from England equalled		.43	—exports,	1.42
1885,	„ „	.95	„	.98

The *staple* exports are sugar, hemp, and tobacco, in exchange for textiles.

LA PLATA.—Commerce has very largely developed with the Argentine Confederation. The *total* imports in 1864 were 4.37 per cent., rising suddenly in 1865 to 5.42 per cent., and exports in 1865, 4.4 per cent., of which trade England had about half.

Since this date, commerce has much increased, and is shared first by Great Britain, then by France (the imports *from England* being largest and the exports *to France* overbalancing those to England), followed at a long distance by Belgium, &c.

		p. c.			p. c.
The <i>total</i> imports in 1881, equalled		11.00	—exports,		11.6
" " 1885, "		18.4	" "		16.4
In—					
1870, imports from England were		p. c.	—exports,		p. c.
		2.34			1.48
1874, " "		3.12	" "		1.27
1881, " "		3.34	" "		.58
1882, " "		4.16	" "		1.23
1885, " "		4.66	" "		1.88

The *staple* exports to England are animal products and grain, in exchange for textiles, coal, and machinery.

URUGUAY.—This country is one of England's best customers, and prosecutes an active commerce with, first England, then France, Brazil, the "States," Spain, &c.

In—		p. c.			p. c.
1866, the <i>total</i> imports equalled		3.1	—exports,		2.6
1870, ,, ,,		3	,,		2.4
1881, ,, ,,		3.6	,,		4.4
1885, ,, ,,		5.5	,,		5.5

With the United Kingdom the *staple* exports are animal products, in exchange for textiles, coal, and iron.

In—		p. c.			p. c.
1865, the imports from England equalled		.81	—exports,		1.25
1870, ,, ,,		.8	,,		1
1874, ,, ,,		1.22	,,		1.44
1881, ,, ,,		1.4	,,		.4
1885, ,, ,,		1.4	,,		.6

CHILI.—Commerce has very largely extended since the middle of the nineteenth century.

In 1848, the *aggregate* imports and exports were only 3.4 per cent., while in

	p. c.	p. c.	p. c.
1866, the <i>total imports</i> equalled	4.17	—exports, 5.8	together, 9.25
1873, " "	7.58	" 7.76	" 15.34
1885, " "	8	" 10.3	" 18.3

Trade is carried on chiefly with Great Britain, followed by Germany, France, the United States, &c.

In—	p. c.	p. c.
1867, the imports from England were,	2.52	—exports, 4.41
1870, " "	2.67	" 3.82
1874, " "	2.75	" 4.7
1881, " "	2.52	" 2.73
1885, " "	1.4	" 2.5

The *staple* exports to England are copper ore, regulus, nitrate, sugar, wool, &c., in exchange for textiles and iron.

PERU.—Trade with Peru steadily increased up to 1878—1880—the date of the war with Chili—but since then the gross imports and exports with the United Kingdom barely reached 60 per cent. of what they were in the previous decade.

The *aggregate* value of imports and exports from 1860 to 1878 averaged 12 per cent.

In—	p. c.	p. c.
1867, imports from England to Peru equalled	1.43	—exports, 3.7
1870, " "	1.76	" 4.88
1874, " "	1.6	" 4.5
1878, " "	1.36	" 5.23
1880, " "	.31	" 2.65
1885, " "	.7	" 1.88

Formerly *guano* was the *staple*, but this trade has necessarily much diminished. Now, the *staple* exports to the United Kingdom are (besides guano) cubic nitre, sugar, wool, and

copper, in exchange for textiles. The export of nitre to England is now (1886) assuming vast proportions, approximating two million tons per annum, at a value of about one million sterling.

BOLIVIA.—The *staple* exports to the United Kingdom are copper, nitre, and silver ore.

In 1867, the trade was very small, the imports from England equalling only .004 per cent., and the exports .14 per cent.

In 1870, there was practically no direct import, the value being only .0005 per cent.; the exports did not vary much, being .12 per cent.

In—		p. c.	p. c.
1874, imports from England equalled	.054—exports,	.34	
1881, " " "	.1 " "	.33	
1885, " " "	.044 " "	.2	

Bolivian trade is carried on chiefly through Peru and La Plata.

PARAGUAY.—There is no *direct* intercourse with the United Kingdom: England certainly supplies Paraguay with 50 per cent. of the total imports, but entirely through other countries.

	p. c.	p. c.
The <i>total</i> imports in 1873 equalled	.22—exports,	.22
" 1883 "	.19 " "	.35

The *staple* exports are maté, tobacco, and animal products; the imports being textiles and alimentary goods.

COLOMBIA.—Direct trade with England is even yet small.

In 1870, the imports from England to Colombia equalled 2.13 per cent., and exports .9 per cent; rising (imports) in 1873 (the best year) to 3 per cent., and exports 1.08 per cent.; falling (imports) in 1881 to 1.18 per cent., and exports 1.37 per cent.; and (imports) in 1885 to 0.6 per cent., and exports 0.23 per cent.

The *transit* trade across the Isthmus of Panama, is the chief commercial movement of Colombia, being valued on an average at 16 per cent.

The <i>total</i> trade in 1880 was,		p. c.	imports 2.08—exports, 2.8	
"	"	1884	"	1.9 " 2.7

The *staple* exports to Great Britain are coffee, cotton, cinchona, dye-stuffs, &c., in exchange for textiles, coal, and iron.

CENTRAL AMERICA.—*Costa Rica*.—The *staple* product is coffee; trade is carried on chiefly with England (about 50 per cent.), followed by the United States.

The *staples* of the other states, comprised under Central America, are cochineal, fruits, hides, indigo, &c., in exchange mainly for textiles.

In—		p. c.		p. c.	
1870,	imports, England to Central America equalled	.36	—exports,	1.05	
1874,	" " " "	.15	"	1.12	
1881,	" " " "	.91	"	1.19	
1884,	" " " "	.9	"	1.3	
1885,	" " " "	.67	"	1.06	

MEXICO.—The *staple* exports to the United Kingdom are silver and other minerals, mahogany and other woods, hemp and fibres, coffee, sugar, &c., in exchange for textiles, iron, and machinery.

Trade is chiefly with the United States, followed by the United Kingdom and France. The exports *to England* being the largest, and the imports *from France* nearly equaling the imports from England and the "States" together.

The <i>total</i> imports in 1874 equalled		p. c.	5.7—exports, 5.09	
"	"	1881	"	5.8 " 7.8
"	"	1885	"	9.3 " 7.16

In—		p. c.		p. c.	
1867,	imports from England to Mexico equalled	.81	—exports,	.31	
1870,	" " " "	.91	"	.3	
1874,	" " " "	1.12	"	.54	
1881,	" " " "	1.6	"	.59	
1884,	" " " "	1.01	"	.7	
1885,	" " " "	.8	"	.72	

TEXAS is now included in the Trade Returns of the United States.

NETHERLANDS.—*Holland*.—Trade is mainly carried on with Great Britain and Germany, after the Dutch colonies. With England, trade has gradually increased for the last quarter of a century.

In		p. c.		p. c.
1861,	imports from England to Holland equalled	6.43	—exports,	7.7
1865,	„ „ „	8.11	„	12.45
1870,	„ „ „	11.22	„	14.31
1874,	„ „ „	14.42	„	14.46
1880,	„ „ „	9.24	„	25.9
1884,	„ „ „	10.24	„	25.87
1885,	„ „ „	8.88	„	25

The *staple* exports are dairy produce (butter and butterine alone equalled 4.46 per cent. in 1885), cattle, gin, manufactures, &c., in exchange for textiles, yarn, &c.

A great deal of the *active* trade is transit, for the *Colonial* movements between the two countries are very large.

The *total* imports in 1872 equalled 105.46 per cent. and exports 103.76 per cent., made up of 65.38 per cent. *general* imports and 40.08 per cent. *home consumption* imports, and 54.98 per cent. of *general* exports and 48.78 per cent. of *home produce* exports.

In 1880 the imports equalled 70 per cent. and exports 52.5 per cent. In 1885 the imports were 94 per cent. and exports 70.88 per cent., these are *Home consumption* imports, and *Home produce* exports only.

COLONIES.—*Java*.—Trade is nearly all with the Netherlands,—equal to about 70 per cent. ; the rest of the trade is divided between England, France, the “States,” and Germany. There is also interchange with China.

In 1870, the *total* imports equalled 3.9 per cent., and exports 5.46 per cent. In 1873 the *total* imports equalled 6.72 per cent. and exports 9.07 per cent. ; from this date to 1885 the trade gradually increased, and in that year

the imports averaged 15 per cent. and exports 19 per cent.

The *staple* exports are rice, sugar, coffee, indigo, spice, and all the usual East Indian produce.

In—				p. c.		p. c.
1870,	imports from England to Java	equalled	.9—	exports,	.26	
1874,	"	"	"	1.2	"	1.3
1881,	"	"	"	1.57	"	2.66
1885,	"	"	"	1.57	"	3

The *staple* export is sugar, in exchange for textiles and yarn.

BELGIUM.—Commerce has been very active in this country and shows on the average steady increase: the *transit* trade is very large.

The chief exports are cereals, cattle, flax, dairy produce, and iron work, with textiles, from the industrial *centres*: the imports being colonial produce, foreign wool, largely, and English manufactures.

Belgian trade is mainly with countries in the following order, France, England, Holland, Germany, Baltic States, United States, South America, etc.

In—

1864, the *total* imports equalled 27.55 p. c., and exports, 23.87 p. c.

In 1871, the *total* imports equalled 148.65 per cent., and exports 117.85. These large amounts are divided into *general* trade and *home* trade; thus *general* imports 97.57 per cent., *general* exports 82.31 per cent. Imports for *home* consumption 51.08 per cent., and exports of home produce 35.54 per cent.

In 1884, *total* imports equalled 110.02 per cent., and exports 106.26 per cent., divided as above into *home* imports 56.57 per cent., exports 53.6 per cent., and *transit* 53.45 per cent. and 52.66 per cent.

In—		p. c.	p. c.
1866,	imports from England to Belgium equalled	2.86—	exports, 7.9
1870,	" "	4.48	" 11.24
1871,	" "	6.21	" 13.57
1874,	" "	5.82	" 15.04
1881,	" "	7.08	" 11.5
1885,	" "	7.8	" 15.07

Besides the imports of *home* production England, sends a considerable value of colonial and foreign produce into Belgium, equalling in 1866, 3.92 per cent. and in 1885, 6.00 per cent., these figures must be added to the above to indicate the total movement of trade between Great Britain and Belgium.

The *staple* exports to England are textile manufactures, flax, dairy produce, &c., in exchange for iron, yarns, &c. Cotton is becoming an important article of commerce from Belgium to England.

The output of coal has much increased in these two decades, the total in 1864 being just over 11,160,000 tons, and in 1884 just over 18,000,000 tons; 75 per cent. of the export of this commodity goes to the Netherlands. Other articles of export have fluctuated but little during the same period.

SWITZERLAND.—Commerce with Switzerland is necessarily through other countries. The year 1885 was the first year when statistics of trade were obtainable.

In 1885, the *total* imports equalled 68.8 per cent. and exports 59.05 per cent.; of these *special* commerce equalled imports 30.21 per cent., exports 26.4 per cent.

Chief trade is with Germany, France, Italy, &c. English traffic is of course included in the returns of one of these, or neighbouring, countries.

Staple exports are cheese and dairy produce in exchange for cereals. The *transit* trade is also very large and increasing.

ITALY.—Commerce shows a steady increase, and is chiefly with France and Algiers, followed by the United Kingdom, Austria, Germany, &c.

In—

	p. c.	p. c.
1867, the <i>total</i> imports equalled	33.23	—exports, 20.82
1870, " "	33.71	" 22.91
1874, " "	52.2	" 39.42
1881, " "	49.55	" 46.57
1884, " "	52.7	" 42.61
1885, " "	58.31	" 37.83

The principal exports are olives and oil, silk—both raw and manufactured—in exchange for cereals and textile manufactures.

Silk of all sorts exported in 1875 equalled about 7 per cent., in 1885 10.76 per cent.

Olive oil, fruits and wine exported in 1875 equalled about 4 per cent., in 1885 5.85 per cent.

In—

	p. c.	p. c.
1865, <i>imports</i> from England to Italy equalled	5.46	— <i>exports</i> , 3
1870, " "	5.27	" 3.84
1874, " "	6.36	" 3.63
1881, " "	6.43	" 3.27
1884, " "	6.99	" 3.16
1885, " "	6.62	" 3

The *staple* exports to the United Kingdom are olive oil, dairy produce, chemicals, fibres, fruits, sulphur, shumach, wine, &c., in exchange for textiles, coals, iron and machinery.

Iron is worked to the extent of about a quarter of a million tons per annum; sulphur to the extent of nearly half a million tons, and a value of 1.46 per cent.; and marble to a value of about 1 per cent.

FRANCE.—Trade is carried on mainly with Great Britain, followed at some distance by Belgium, Germany, Spain, &c.

	in 1860	in 1870	in 1881	in 1885
The <i>gross turnover</i> equalled	366 p.c.	545 p.c.	765 p.c.	642 p.c.
being, for <i>general commerce</i> ,	200 "	320 "	427 "	355 "
and for <i>home produce and consumption</i> ,	166 "	225 "	338 "	287 "

The ratio between imports and exports may be gathered

from the following:—In 1881 imports equalled 433 per cent., exports 332 per cent.; in 1885 imports 361 per cent., exports 281 per cent., maintaining about the same proportion throughout.

The movements of bullion are also heavy and not included in the above "commerce;" in 1885 the bullion import equalled 9.15 per cent., and export 5.13 per cent.

In—			p. c.		p. c.
1860,	imports from England to France equalled	5.25	—	exports,	17.77
1865,	" "	"	9.06	"	31.62
1870,	" "	"	11.64	"	37.6
1873,	" "	"	17.3	"	43.34
1880,	" "	"	15.6	"	41.97
1884,	" "	"	16.75	"	37.43
1885,	" "	"	14.98	"	35.7

These movements do not include *colonial* or *foreign* goods sent from England, but solely *home* productions. In 1884, Great Britain sent over *other merchandise* to the value of 9.6 per cent., and in 1885 to the value of 8 per cent.

The *staple* exports to the United Kingdom include dairy produce, wine, silk, other manufactures, &c., in exchange for manufactured textiles, coal, fuel, iron, and machinery.

		Exported to England in—			
		1872 p.c.	1874 p.c.	1883 p.c.	1885 p.c.
Value of	<i>Silk</i>	9.15	11.14	6.66	5.97
"	<i>Wool manufacture</i>	2.8	2.87	3.96	5.23
"	<i>Dairy produce</i>	3.31	5.95	4.07	3.92
"	<i>Leather</i>	1.08	1.25	1.65	1.09
"	<i>Wine</i>	2.72	2.61	2.7	2.64
"	<i>Brandy</i>	1.3	1.41	0.98	1.22

The *total silk* exports equalled—

	p.c.	p.c.	p.c.	p.c.	p.c.				
In 1886,	19.6	; 1874,	19	; 1878,	9.1	; 1884,	9.5	1885,	8.9.

The total *woollen* exports equalled—

p.c.	p.c.	p.c.	p.c.	p.c.
In 1865, 15.85 ;	1874, 14 ;	1878, 12.4 ;	1884, 13.4 ;	1885, 13.3.

The total *wine* exports equalled—

In 1874, 9.5 p. c. ; 1884, 9.5 p. c. ; 1885, 10.2 p.c.

The weight of silk cocoons in 1881 equalled about $9\frac{1}{4}$ million kilogrammes ; in 1885, about 7 million kilogrammes ; in 1886, about $8\frac{1}{4}$ million kilogrammes.

The quantity of *cane sugar* imported in 1883 equalled about $108\frac{1}{2}$ million kilogrammes ; in 1885, about $210\frac{3}{4}$ million kilogrammes.

The quantity of *home made beet sugar* in 1884 equalled about $322\frac{1}{2}$ million kilogrammes ; in 1885, about $225\frac{1}{4}$ million kilogrammes.

Among cereals, *wheat* is the chief crop, but rye and buckwheat are grown *for export*.

Average total *wine* yield up to 1885 about 700 million gallons per annum.

Home mining produces about 20 millions of tons of coal and 4 million tons of iron : neither of these anything like suffices for home consumption, consequently the import from England is very large.

The French Colonies include Algeria, Senegambia, Réunion, Cochin-China, Tonquin, Guiana, Martinique, &c. For Algerian trade, see p. 593.

THE UNITED KINGDOM OF GREAT BRITAIN AND IRELAND.—The commerce of the United Kingdom has ramifications in every direction.

Previous to 1865, trade had *gradually* increased ; in 1830, the *total* imports equalled 46.3 per cent., exports, 69.7 per cent. ; in 1840, imports, 67.5 per cent., exports, 116.5 per cent. ; in 1850, imports, 100.5 per cent., exports, 197.3 per cent. ; in 1855, imports, 143.5 per cent., exports, 116.7 per cent. ; in 1860, imports, 210.5 per cent., exports, 164.52 per cent.

Year.	Total Imports.	Exports of Home Produce.	Exports of Foreign Produce.	Total Exports.
	p. c.	p. c.	p. c.	p. c.
1865	271.07	165.84	53.	218.84
1868	295.4	179.68	48.1	227.78
1870	303.25	199.58	44.5	244.08
1872	354.7	256.25	58.33	314.58
1874	370.08	239.55	58.1	297.65
1878	368.77	192.85	52.64	245.49
1880	411.23	223.06	63.34	286.4
1882	413.02	241.47	65.2	306.67
1884	390.02	233.02	62.94	295.96
1885	370.97	213.00	57.36	270.36
1886	349.38	212.37	56.1	268.47

Imports and exports include every available commodity, both raw material and manufactured articles. The relative position of any country with regard to the total commerce of Great Britain can be seen from the special paragraphs for each country.

Imports rank in the following order:—food products, raw materials for textile manufactures, manufactured goods, &c.

Exports rank as follows: textiles, metals and their products, manufactured goods, raw materials, &c.

Movements of bullion and specie are not included in the above tabulated list; these vary, but the average of the last ten years is 23.5 per cent. imports and 24 per cent. exports.

The mercantile marine in 1860 numbered 4,300,000 tons, in 1870, 5,500,000 tons, in 1880, 6,300,000 tons, and in 1885, 7,200,000 tons.

The average yearly output of coal from 1875–1885 was about 145,000,000 tons.

The average yearly output of iron from 1875–1885 was about 16,500,000 tons.

Railway mileage in 1860 equalled 10,400 miles; in 1870, 15,500; in 1880, 18,000; and in 1885, 19,200 miles.

The contract time for the mail service from London to Bombay is now (1887) 16 days 17 hours 45 minutes.

The contract time for the mail service from London to Shanghai is now (1887) 37 days 13 hours 45 minutes.

English colonies and dependencies are, in the order of their trade—India, Australasia, British North America, Cape Colony, Straits Settlements, Hong-Kong, West Indies, Ceylon, British Guiana, West Africa, &c.

THE WEST INDIES.

		p. c.		p. c.
Total imports from England in 1881 equalled	5.82	—exports,	5.68	
“ “ “ 1884 “	6.93	“	6.72	
“ “ “ 1885 “	5.6	“	5.77	

The imports are the most important to Trinidad, Jamaica, Barbados, Bahamas, &c.

The exports are the most important from Trinidad, Jamaica, Grenada, Leeward Isles, &c.

Agriculture is the staple industry throughout the West Indies.

Principal exports are sugar, rum, molasses, coffee, cocoa, fruits, &c.

Principal imports are textiles, hardware, &c.

Railways in the West Indies in 1885 extended 145 miles.

INDIA.—Trade in our great dependency shows a large increase from the middle of the nineteenth century.

In—

	p. c.	p. c.
1865, the total imports equalled	49.51	—exports, 69.47
1870, “ “	46.88	“ 53.5
1874, “ “	38.4	“ 56.8
1880, “ “	51.4	“ 69.1
1885, “ “	67.02	“ 85.09

These figures include merchandise *and* treasure; for comparison, in—

		p. c.		p. c.
1865,	the <i>imports</i> of merchandise equalled	28.15	—bullion,	21.36
„	„ <i>exports</i>	68.03	„	1.44
1870,	„ <i>imports</i>	32.93	„	13.95
„	„ <i>exports</i>	52.47	„	1.03
1880,	„ <i>imports</i>	39.74	„	11.66
„	„ <i>exports</i>	67.17	„	1.93

Commerce is carried on principally with England, China, France, &c., the United Kingdom taking the bulk.

In—

		p. c.		p. c.
1865,	imports from England equalled	18.27	—exports,	37.4
1870,	„	19.3	„	25.09
1874,	„	24.08	„	31.2
1880,	„	30.45	„	30.12
1885,	„	29.28	„	31.88

The *staple* exports to England are wheat, seeds, jute, tea, cotton, indigo, rice, teak, &c., in exchange for textiles, coal, iron and machinery.

Cotton exported in 1865 to England, equalled 12.14 p. c.; 1870, 9.43 p. c.; 1874, 10.32 p. c.; 1881, 4.36 p. c.; 1885, 2.9 p. c.

Jute equalled, 1874, 3.54 p. c.; 1884, 3.56 p. c.; 1885, 3.24 p. c.

Rice „ „ 3.24 p. c.; „ 2.14 p. c.; „ 1.8 p. c.

Indigo „ „ 1.66 p. c.; „ 2.14 p. c.; „ 1.83 p. c.

Tea „ „ 1.57 p. c.; „ 3.72 p. c.; „ 3.73 p. c.

Wheat was not considered a *staple* much before 1878; the export, however, soon became very important, equalling in 1881, 3.85 per cent., and in 1885, 4.59 per cent.

CEYLON.—Trade is mainly with England and India.

In—

		p. c.		p. c.
1870,	<i>total imports</i> equalled	4.63	—exports,	3.8
1874,	„	5.7	„	4.68
1881,	„	4.42	„	3.4
1884,	„	4.81	„	3.16
1885,	„	4.23	„	3.35

The principal exports are coffee, cocoa, cinchona, oil, tea, gems, &c. ; and imports coals, iron, and textiles.

In—

	p. c.	p. c.
1870, English imports into Ceylon equalled	9—	exports, 3.45
1874, " " "	1.16	" 3.6
1881, " " "	.8	" 2.13
1884, " " "	.74	" 2.37
1885, " " "	.53	" 2.39

The *staple* export to England is coffee—followed by cocoa-nut-oil, spices, tea, gems, cinchona, cacao, &c. ; in exchange for coals and iron and textile manufactures.

Coffee exports in 1870 equalled 2.8 per cent. ; in 1874, 2.87 per cent. ; in 1879, 3.00 per cent. ; in 1882, 1.63 per cent. ; in 1884, .98 per cent. ; and in 1885, .93 per cent.

	p. c.	p. c.
<i>Cocoa-nut-oil</i> in 1874 equalled	.17	in 1885, .12
<i>Cinnamon</i> " "	.12	" .08

STRAITS SETTLEMENTS.—Trade is carried on mainly with England, the Netherlands, Hong Kong, India, &c.

	p. c.	p. c.
The <i>total</i> imports in 1881, equalled	16.99—	exports, 13.96
" " 1884, " "	20.04	" 18.67
" " 1885, " "	19.77	" 18.00

The principal exports are tin, sugar, spices, india-rubber, and all East Indian produce, and imports opium, textiles, &c.

In—

	p. c.	p. c.
1881, imports, England to Settlements equalled	2.56—	exports, 3.78
1884, " " "	2.63	" 4.62
1885, " " "	2.55	" 4.44

The *staple* exports are tin, spices, india-rubber, cutch, &c., in exchange for coals, iron, and textiles.

AUSTRALASIA. — *New South Wales*. — Trade is chiefly carried on with England and her possessions.

In—

		p.c.		p.c.
1870,	total imports equalled	7.76	—exports,	8.00
1874,	" "	9.26	" "	8.67
1881,	" "	17.4	" "	16.05
1884,	" "	22.8	" "	18.25
1885,	" "	23.3	" "	16.54

The principal exports are wool, coal, tin, &c. ; and imports, manufactured textiles, iron, &c.

Trade with England is as follows :—

In—

		p.c.		p.c.
1870,	imports from England equalled	2.6	—exports,	3.7
1874,	" "	4.38	" "	3.9
1881,	" "	7.3	" "	7.7
1884,	" "	8.4	" "	9.00
1885,	" "	9.1	" "	7.15

The *staple* export is wool—followed by copper, tallow, animal products, wine, &c.

Wool export to England in 1870 equalled 2.8 per cent. ; in 1874, 2.6 per cent. ; in 1881, 5.3 per cent. ; and in 1885, 5.00 per cent.

The *weight* of wool exported to England in 1881 was 87,470,000 lbs. ; in 1883, 100,630,000 lbs ; in 1884, 120,220,000 lbs. ; and in 1885, 110,106,000 lbs. out of a total export of 178,400,000 lbs.

Wine was made in 1885 to the extent of over half a million of gallons.

South Australia.—

In—

		p. c.		p. c.
1870,	the <i>total</i> imports equalled	2.03	—exports,	2.42
1874,	" "	3.97	" "	3.87
1881,	" "	5.22	" "	4.4
1882,	" "	6.7	" "	5.36
1884,	" "	5.75	" "	6.6
1885,	" "	5.55	" "	5.64

The principal exports are copper, wheat, flour, wool, wine, &c. ; and imports, textile and other manufactures.

Trade with the United Kingdom was as follows :—

In—		p. c.	p. c.
1870, imports, England to South Australia, equalled	.82—exports,	1.24	
1873,	"	2.00	3.22
1874,	"	1.9	2.6
1881,	"	2.3	3.2
1885,	"	2.24	3.46

The *staple* export is wool, followed by wheat, flour, copper, wine, &c., in exchange for textile and iron manufactures, machinery, &c.

Wool export to England in 1870 was valued at .93 per cent. ; in 1872, 1.12 per cent. ; in 1874, 1.65 per cent. ; in 1881, 2.35 per cent. ; in 1884, 1.98 per cent. ; in 1885, 1.51 per cent.

The *total* export of wool in 1874 equalled 1.76 per cent. ; and in 1885, 1.6 per cent.

The *weight* of wool exported in 1874 was 31,653,000 lbs. ; and in 1885, 45,367,066 lbs.

Wheat and flour exported in 1873 equalled 1.7 per cent. ; in 1874, 1.2 per cent. ; in 1885, 2.16 per cent. ; of which the value sent to England equalled in 1874, .34 per cent. ; in 1881, .49 per cent. ; in 1884, .86 per cent. ; and in 1885, 1.6 per cent.

Copper was exported in 1873 equal to .77 per cent. ; in 1874, .7 per cent. ; and in 1885, .13 per cent. ; of which the value to England equalled in 1874, .43 per cent. ; in 1884, .18 per cent. ; and in 1885, .9 per cent.

Agriculture is the staple industry. Mining operations are also well attended to.

The vine is now successfully cultivated, and in 1884,

473,535 gallons of wine were produced ; while in 1885 the yield had risen to 600,000 gallons.

Victoria.—Commerce is principally carried on with England and the other colonies, Ceylon, France, China, the United States, Belgium, &c.

In—		p. c.		p. c.
	1865, the total imports equalled	13.26	—exports,	13.15
	1870, " "	12.46	" "	12.47
	1874, " "	16.95	" "	15.44
	1881, " "	16.72	" "	16.25
	1884, " "	19.2	" "	16.05
	1885, " "	18.04	" "	15.55

The principal exports are, wool, gold, wheat and flour, animal products, &c., and imports, textiles, sugar, timber, &c.

Trade with England was as follows :—

In—		p. c.		p. c.
	1865, the imports from England equalled	5.73	—exports,	4.4
	1870, " "	4.3	" "	5.78
	1874, " "	6.93	" "	7.00
	1881, " "	6.23	" "	9.01
	1884, " "	6.66	" "	7.67
	1885, " "	6.7	" "	5.33

The *staple* exports to England are wool and gold, followed by wheat and flour, meat, &c., in exchange for textiles, iron, machinery, &c.

Wool was exported to England in 1865 of a value equal to 3.99 per cent. ; in 1870, 4.7 per cent. ; in 1872, 4.27 per cent. ; in 1874, 5.65 per cent. ; in 1881, 7.3 per cent. ; in 1884, 5.73 per cent. ; in 1885, 3.98 per cent.

The *weight* of wool exported in 1865 was 43,600,000 lbs. ; in 1870, 64,220,000 lbs. ; in 1874, 86,215,000 lbs. ; in 1881, 108,800,000 lbs. ; in 1884, 99,350,000 lbs. ; and in 1885, 83,200,000 lbs.

Queensland.

In—

	p. c.	p. c.
1870, total imports equalled	1.58	—exports, 2.53
1873, " "	2.88	" 3.54
1881, " "	4.06	" 3.54
1884, " "	6.39	" 4.67
1885, " "	6.42	" 5.24

The principal exports are wool, gold, &c. ; and imports, textiles.

In—

	p. c.	p. c.
1870, imports from England equalled	.34	—exports, .72
1874, " "	.87	" .9
1881, " "	1.28	" 1.12
1884, " "	2.07	" 1.68
1885, " "	2.45	" 1.65

The *staple* export is wool, which was exported of a value in 1870 equalling .6 per cent. ; in 1874, .63 per cent ; in 1881, .88 per cent. ; in 1884, 1.52 per cent. ; in 1885, 1.39 per cent.

Other exports are tallow, preserved meat, fruits, &c. ; in exchange for textiles and iron.

Western Australia.

In—

	p. c.	p. c.
1870, the <i>total</i> imports equalled	.22	—exports, .2
1874, " "	.37	" .4
1881, " "	.4	" .5
1885, " "	.65	" .44

The principal exports are wool, ores, &c.

In—

	p. c.	p. c.
1870, the imports from England equalled	.1	—exports, .08
1874, " "	.2	" .18
1881, " "	.16	" .26
1885, " "	.27	" .27

The *staple* export is wool,—followed by lead ore, in exchange for textiles, iron, and machinery.

Wool export in 1870 equalled .084 per cent. ; in 1874, .118 per cent. ; in 1878, .146 per cent. ; in 1881, .22 per cent. ; in 1884, .24 per cent. ; and in 1885, .23 per cent.

Tasmania.—Commerce is almost confined to the United Kingdom and other British colonies.

In—		p. c.		p. c.
	1870, <i>total</i> imports equalled	.8	—exports,	.65
	1874, " "	1.26	" "	.9
	1881, " "	1.43	" "	1.55
	1884, " "	1.66	" "	1.47
	1885, " "	1.76	" "	1.31

The principal exports are wool, fruits, timber, hops, tin, and gold, in exchange for textile and iron manufactures, &c.

In—		p. c.		p. c.
	1870, imports from England equalled	.19	—exports,	.38
	1874, " "	.36	" "	.44
	1881, " "	.34	" "	.51
	1884, " "	.52	" "	.37
	1885, " "	.46	" "	.3

The *staple* export is wool.

Wool was exported to England in 1871 of a value equaling .28 per cent. ; in 1874, .35 per cent. ; in 1881, .41 per cent. ; in 1884, .32 per cent. ; and in 1885, .26 per cent.

The *total* export of wool in 1881 equalled .49 per cent., and in 1885, .26 per cent.

New Zealand.—Commerce is mainly with the United Kingdom (three-fourths of the whole), the Colonies, "States," India, &c.

In—		p. c.		p. c.
	1870, <i>total</i> imports equalled	4.6	—exports,	4.8
	1872, " "	5.14	" "	5.2
	1874, " "	8.12	" "	5.25
	1881, " "	7.46	" "	6.00
	1882, " "	8.6	" "	6.66
	1884, " "	7.66	" "	7.1
	1885, " "	7.48	" "	6.82

The leading exports are wool, frozen meat, tallow, flax, Kauri gum, &c., in exchange for textile and iron manufactures, &c.

Trade with the United Kingdom is as follows:—

In—	p. c.	p. c.
1870, the imports from England equalled	1.54—exports,	2.13
1874, " "	" 4.4 "	3.54
1881, " "	" 3.7 "	5.12
1884, " "	" 3.7 "	6.01
1885, " "	" 3.9 "	5.14

The *staple* exports are wool, cereals and flour, gum, tallow, frozen carcasses, &c.

Wool exports to England in 1870, equalled 1.75 per cent. ; in 1872, 2.07 per cent. ; in 1874, 2.88 per cent. ; in 1881, 3.47 per cent. ; in 1884, 3.79 per cent. ; and in 1885, 3.26 per cent.

The *weight* of wool exported in 1870, was 30,750,000 lbs. ; in 1874, 48,210,000 lbs. ; in 1881, 59,370,000 lbs. ; in 1884, 75,400,000 ; and in 1885, 78,600,000 lbs.

RUSSIA.—Trade is carried on chiefly with England and Germany.

	p. c.	p. c.
1863, the <i>total</i> imports equalled	20.72—exports,	22.33
1865, " "	22.05 "	29.2
1870, " "	49.00 "	54.28
1880, " "	64.46 "	51.62
1884, " "	54.67 "	59.87

This summary shows a vast extension of commercial transactions in twenty years.

The staple exports are cereals, flax, hemp, other agricultural produce, &c. ; and imports, all miscellaneous goods, coal, iron, &c.

Trade with England was as follows:—

In—	p. c.	p. c.
1865, imports from England to Russia equalled	2.92—exports,	17.38
1870, " "	7.00 "	20.56
1874, " "	8.77 "	18.93
1882, " "	5.77 "	21.05
1885, " "	4.22 "	17.71

The *staple* exports to England are cereals, flax, hemp, wood, tallow, &c., in exchange for coal, machinery, textiles, &c.

The value of *cereals* exported to England in 1870 equalled 8.66 per cent.; in 1874, 6.12 per cent.; in 1881, 4.87 per cent.; in 1885, 8.77 per cent.

		p. c.		p. c.
<i>Flax</i> exported in 1874 equalled		3.46;	and in 1885,	2.9
<i>Wood</i>	"	4.33	"	3.04
<i>Hemp</i>	"	.62	"	.38

SCANDINAVIA.—*Norway*.—Commerce is carried on chiefly with Great Britain, Germany, Sweden, Denmark, &c., and has steadily increased.

The <i>total</i> imports from 1870-75 averaged	p. c.	6.5—	exports,	p. c.
"	"	1880-85	"	8.8
"	"	"	"	6.38

The principal exports are fish and timber; and the imports cereals, textiles, &c.

Trade with the United Kingdom is as follows:—

In—			p. c.		p. c.
1870, imports from England to Norway equalled			.98—	exports,	1.85
1872,	"	"	1.42	"	2.37
1874,	"	"	2.01	"	3.00
1876,	"	"	1.51	"	2.68
1880,	"	"	1.25	"	2.72
1882,	"	"	1.4	"	2.92
1884,	"	"	1.5	"	3.01
1885,	"	"	1.33	"	2.83

The *staple* export is wood in exchange for coal, iron, and textiles.

SWEDEN.—Commerce is chiefly carried on with the United Kingdom, Denmark, France, Germany, &c., and shows considerable increase.

In—

		p. c.		p. c.
1868,	the <i>total</i> imports equalled	7.65	—exports,	6.64
1870,	„ „	7.87	„	8.47
1873,	„ „	15.08	„	12.32
1880,	„ „	15.7	„	12.5
1881,	„ „	16.00	„	12.4
1884,	„ „	18.1	„	13.2

The principal exports are timber, animals, cereals (oats), metals, &c., and imports, textiles, cereals, coal, &c.

Trade with the United Kingdom is as follows :—

In—

		p. c.		p. c.
1868,	imports from England to Sweden equalled	.62	—exports,	4.4
1870,	„ „	1.02	„	6.4
1874,	„ „	3.4	„	8.48
1878,	„ „	1.68	„	6.85
1880,	„ „	1.94	„	8.26
1884,	„ „	2.35	„	7.51
1885,	„ „	2.18	„	8.1

The *staple* exports to England are timber, oats, iron, and dairy produce, in exchange for textiles, coal, &c.

DENMARK.—Trade is carried on mainly with Germany, Great Britain, Scandinavian States, &c.

The *staple* exports to Great Britain are agricultural and dairy produce, cattle, &c., in exchange for textiles, coal, and iron.

The *total* imports in 1872 equalled 6.4 per cent., and exports 4.75 per cent., suddenly rising until—

In—

1880,	imports equalled	12.6	p. c.—exports,	10.9	p. c.
1885,	„	15.23	p. c.	„	10.00 p. c.

In unison with this *general* increase of trade, commerce with the United Kingdom rose—

In

		p. c.		p. c.
1865,	imports from England to Denmark equalled	1.26	—exports,	2.28
1870,	„ „	2.00	„	3.05
1874,	„ „	2.5	„	3.9
1881,	„ „	2.01	„	5.25
1885,	„ „	1.9	„	4.82

Colonies.—Denmark possesses Iceland, Greenland, and three islands in the West Indies—these latter being the most valuable, exporting many millions of pounds of sugar, with the accompanying commodities of rum and molasses, besides coffee and other produce.

AUSTRO-HUNGARY.—Trade *direct* with Great Britain is comparatively small, although it would doubtless show more, were it possible to collect all the merchandise which *ultimately* finds its way to England, but which is included in the export transit trade of other countries; the geographical position of Austria fully explains this. All goods sea-borne have but a small coast outlet, whereas goods carried by rail have either an outlet through Germany for the Baltic and North Sea ports, or Italy for the Mediterranean ports, or France for the mail lines.

The *staple* exports to the United Kingdom are cereals (chiefly barley) and flour, in exchange for cotton and textile manufactures, iron, coal, &c.

In—	p. c.	p. c.
1855, the <i>total</i> imports equalled	23.6	—exports, 23.2
1862, " "	25.00	" 30.9
1865, " "	25.07	" 34.06
1870, " "	42.5	" 39.13
1876, " "	43.08	" 42.47
1880, " "	51.12	" 56.33
1884, " "	51.05	" 57.62
1885, " "	46.5	" 56.00

This statement (which does not include bullion or specie) shows that trade gradually increased, and with a great evenness between import and export values.

In—	p. c.	p. c.
1865, imports from England to Austria equalled	.72	—exports, .67
1870, " "	1.71	" 1.1
(A fall, after rising in the two preceding years to over 2 per cent. on imports.)		
1876, " "	.78	" .85
1880, " "	.6	" 1.43
1885, " "	.78	" 2.16

Trade favours, first, Germany, then Turkey, Italy, Russia, England, &c.

Transactions in colonial produce and other articles of merchandise are large, and the *transit* trade from central Europe to Trieste is considerable; the value of the whole transit trade in 1884 equalled 25.91 per cent. The movements in merchandise include cereals, agricultural produce, fibres, leather, and some manufactures.

GERMANY.—The *total* turnover of German commerce in 1882 equalled 320.4 per cent., and in 1885, 295.95 per cent.

The *transit* trade is very considerable, amounting to an annual value of about 628.5 per cent.

Trade is mainly with the United Kingdom, Austria, Belgium, Russia, &c.

In—				p. c.		p. c.
1865,	<i>direct</i>	imports,	England to Germany	equalled	15.66	—exports, 16.22
1870,	"	"	"	27.44	"	15.4
1874,	"	"	"	24.8	"	19.95
1881,	"	"	"	17.43	"	23.65
1885,	"	"	"	16.4	"	23.07

The imports from England of colonial and foreign produce, not included above, are also very considerable, equalling 10.6 per cent. in 1885.

The *staple* exports to England are cereals, sugar, animal products, &c., in exchange for coal, iron, machinery, textiles, &c.

German Free Towns.—The returns are included in the above, but for comparison we give—

			p. c.		p. c.
<i>Hamburg,</i>	total imports in 1885	equalled	107	—exports,	91.00
<i>Lubeck,</i>	"	"	9.5	"	8.35
<i>Bremen,</i>	"	"	24.75	"	24.00

German Dependencies consist of portions of the African Continent, part of Papua, and other islands in the Pacific.

UNITED STATES.—Trade has grown into vast dimensions,

and is carried on first with Great Britain, followed by France, Germany, Belgium, &c.

In—			p. c.		p. c.
1869,	the <i>total</i> imports	equalled	83.5	— exports,	87.82
1870,	„	„	92.47	„	105.9
1872,	„	„	114.5	„	112.36
1875,	„	„	110.78	„	128.61
1878,	„	„	87.41	„	136.15
1880,	„	„	133.4	„	164.8
1882,	„	„	144.95	„	146.65
1884,	„	„	133.34	„	145.00
1885,	„	„	115.5	„	145.3

The bullion and specie movements *not included* in the above are as follows :—

In—			p. c.		p. c.
1870,	the imports	equalled	5.3	— exports,	11.6
1875,	„	„	4.18	„	18.42
1880,	„	„	18.6	„	1.87
1885,	„	„	8.65	„	4.88

The principal exports are cotton, cereals, dairy produce, tobacco, petroleum, &c.

Trade with the United Kingdom was as follows :—

In—			p. c.		p. c.
1865,	imports from England to U. S.	equalled	21.22	— exports,	21.62
1866,	„	„	28.5	„	46.85
1870,	„	„	28.33	„	49.8
1872,	„	„	40.74	„	54.66
1874,	„	„	28.24	„	73.9
1876,	„	„	16.83	„	75.9
1878,	„	„	14.55	„	89.14
1880,	„	„	30.85	„	107.08
1882,	„	„	30.97	„	88.35
1884,	„	„	24.42	„	86.27
1885,	„	„	21.99	„	86.47

Besides the interchange of some commodities as above, a large *transit* trade is carried on and *foreign* commodities exchanged; the *gross total* of the imports from England

to United States in 1883, was 36.7 per cent.; in 1884, 32.74 per cent.; and in 1885, 31.1 per cent.

The *staple* exports to England are cereals and cotton, provisions, tobacco, cattle, petroleum, animal products, sugar, &c.

CALIFORNIA is included in the returns from the United States.

BRITISH NORTH AMERICAN trade is included in the returns of the DOMINION OF CANADA.

CANADA.—Trade is carried on chiefly with Great Britain and the United States.

In—

		p. c.		p. c.
1870, <i>total</i> imports equalled		14.96	—exports,	14.7
1874,	" "	25.64	" "	17.97
1878,	" "	18.6	" "	15.86
1880,	" "	17.3	" "	17.6
1884,	" "	23.28	" "	18.3
1885,	" "	21.8	" "	18.00

The principal exports are animals and animal products, timber, agricultural produce, &c.; and imports, textiles, iron, sugar, &c.

Trade with the United Kingdom was as follows:—

In—

			p. c.		p. c.
1865, imports from England to Canada equalled			4.77	—exports,	6.35
1870,	" "	" "	6.26	" "	7.85
1872,	" "	" "	9.64	" "	8.65
1874,	" "	" "	8.85	" "	11.36
1876,	" "	" "	6.9	" "	10.32
1878,	" "	" "	5.9	" "	8.88
1880,	" "	" "	6.8	" "	12.93
1882,	" "	" "	9.11	" "	9.87
1884,	" "	" "	8.1	" "	10.38
1885,	" "	" "	6.83	" "	9.96

The *staple* exports to England are grain, timber, and fruit, in exchange for manufactures.

EGYPT.—Trade is very extensive, and is principally with the United Kingdom, followed by Turkey, France, &c.

The *total* commerce between 1865-75 averaged from 25 to 30 per cent., and from 1875-85 about 20.5 per cent.

In—			p. c.		p. c.
1861,	imports from England to Egypt equalled	2.27	—exports,	8.4	
1863,	„ „ „	4.4	„	16.5	
1865,	„ „ „	6.00	„	21.77	
1870,	„ „ „	8.72	„	14.11	
1874,	„ „ „	3.6	„	10.5	
1881,	„ „ „	3.16	„	9.3	
1885,	„ „ „	3.5	„	8.8	

The *staple* exports to England are cotton and cotton seed, cereals, gum, &c., in exchange for textile manufactures, coal, and machinery.

The opening of the Suez Canal very much affected the cotton trade. Silk was formerly a staple export, but has almost disappeared. This trade was chiefly in transit from India, China and Japan, but appeared in the Egyptian Trade Returns.

TRIPOLI.—This country is a province of the Ottoman Empire, and its trade is included in the Turkish returns.

The direct trade with the United Kingdom in 1885 equalled, imports .39 per cent., exports .009 per cent. The principal exports are esparto, wool, madder, ivory, &c.

MOROCCO.—Trade with Morocco is first with England (about 50 per cent.), followed by France and Algeria, Spain, &c.

			p. c.		p. c.
The <i>total</i> imports in 1850,	only averaged	.31	—exports,	.4	
„ „ 1860,	increased to about	.8	„	.76	
„ „ 1865,	equalled	1.00	„	1.01	
„ „ 1870,	„	.9	„	.8	
„ „ 1873,	„	.82	„	1.5	
„ „ 1885,	„	1.2	„	1.1	

The principal exports are, almonds and fruits, cereals, gums, olive oil, cattle, beans, wax, &c., in exchange for textiles, sugar, silk, &c.

In—

		p. c.		p. c.
1865,	imports from England equalled	.88	—exports,	.7
1870,	„ „	.23	„	.24
1874,	„ „	.44	„	.7
1881,	„ „	.27	„	.25
1885,	„ „	.43	„	.48

The *staple* exports to England are maize, beans, and gum, with oil and almonds in exchange for textiles.

ALGERIA.—Trade is mainly with France—about 65 per cent. of the whole,—followed by Spain, Italy, England, &c.

The principal yield is agricultural produce,—cereals, vine and its products, olives, tobacco, &c.,—with some iron and other ores.

In—

		p. c.		p. c.
1867,	the <i>total</i> imports equalled	7.5	and exports,	3.88
1870,	„ „	6.9	„	4.97
1873,	„ „	8.27	„	6.1
1881,	„ „	11.98	„	6.00
1885,	„ „	8.8	„	7.9

The trade with the United Kingdom was as follows:—

In—

		p. c.		p. c.
1861,	the imports from England to } Algeria equalled	.03,	exports,	.02
1865,	„ „	.09,	„	.12
1870,	„ „	.12,	„	.23
1874,	„ „	.05,	„	.5
1881,	„ „	.3,	„	.75
1885,	„ „	.35,	„	.88

The *staple* exports to England are fibres, minerals, ores, and cereals (chiefly barley) in exchange for coals and textiles.

Tunis.—The principal exports are to Italy, France, Great Britain, &c., and consist of olive oil, cereals, sponges and esparto.

The *total* turnover (1874–1884) averaged 2.4 per cent. per annum.

The imports in 1885 equalled 1.1 per cent., and exports .88 per cent.

In—

	p. c.	p. c.
1881, imports from England to Tunis equalled .07 and exports .2		
1885, " " " " "	.08	.15

The *staple* export to England is esparto. Railway mileage is under 300 miles.

LIBERIA.—Trade returns under this head include the whole of the "West Coast of Africa,"—except British possessions,—with its exports of palm oil, nuts and kernels, ivory and india-rubber.

The imports from—

	p. c.	p. c.
England to Africa (W. C.), 1870, equalled .8 —exports,		1.45
" " " 1874, " "	.76	1.82
" " " 1881, " "	.82	1.5
" " " 1884, " "	1.11	1.4
" " " 1885, " "	.78	1.13

The *staple* export is palm oil, in exchange for textiles.

WEST AFRICA—

In—

	p. c.	p. c.
1881, imports to the whole <i>British</i> coasts equalled 1.25—exports,		1.34
1884, " " " "	1.73	1.72
1885, " " " "	1.42	1.56

The *staple* exports are ground nuts, seeds, palm oil, kernels, ginger, wax, india-rubber, gold, and gum ; and imports, textiles and manufactures.

CAPE COLONY WITH NATAL.—Commerce is chiefly carried on with Great Britain.

In—

	p. c.	p. c.
1870, <i>total</i> imports equalled 2.23—exports, excluding treasure,		2.57
1873, " " 5.45 " "		4.01
1881, " " 9.22 " "		4.14
1884, " " 5.25 " "		3.94
1885, " " 4.77 " "		3.16
		including treasure, 5 11

Treasure exports during these years varied between 1 and 2 per cent.

The principal exports are wool, ostrich feathers, diamonds, copper, hair, wine, &c., and imports textile manufactures, &c.

Trade with the United Kingdom was as follows:—

In—				including treasure.	
			p. c.		p. c.
1870,	imports from England to Cape Colony equalled	1.55	—	exports,	2.43
1874,	" " "	3.53	"	"	3.63
1881,	" " "	5.9	"	"	4.94
1884,	" " "	3.05	"	"	5.3
1885,	" " "	2.84	"	"	3.83

The *staple* exports to England are wool, copper, feathers, &c., in exchange for manufactures.

Wool exported in 1870 equalled 1.84 per cent. ; in 1874, 2.56 per cent. ; in 1881, 3.03 per cent. ; in 1884, 2.7 per cent., and in 1885, 1.7 per cent.

The *weight* of wool exported in 1870 was 28,814,000 lbs. ; in 1874, 34,830,000 lbs. ; in 1881, 47,160,000 lbs. ; in 1884, 45,500,000 lbs., and in 1885, 38,850,000 lbs.

Natal.—Trade is almost exclusively with Great Britain.

In—					
		p. c.		p. c.	
1870,	the <i>total</i> imports equalled	.43	and exports,	.38	
1873,	" " "	.86	"	.65	
1880,	" " "	2.34	"	.9	
1884,	" " "	1.67	"	.96	
1885,	" " "	1.52	"	.87	

The principal exports are cereals, arrowroot, feathers, hair, wool, &c., and imports machinery.

In—					
		p. c.		p. c.	
1870,	the imports from England equalled	.31	and exports,	.44	
1874,	" " "	.77	"	.66	
1881,	" " "	1.2	"	.47	
1884,	" " "	1.05	"	.64	
1885,	" " "	.99	"	.62	

TRANSVAAL OR SOUTH AFRICAN REPUBLIC.—Commerce is carried on chiefly with England, the exports consisting of wool, ostrich feathers, ivory, cattle and products, gold, &c. The *total* imports equal about .6 per cent., and exports .6 per cent.

Mozambique, see Portuguese Colonies, page 564.

ZANZIBAR.—Trade is principally carried on with England, Germany, America, France, Arabia, &c. Before 1870 trade was practically *nil*, but has increased greatly since steam communication opened out the ports.

		p. c.	p. c.
The <i>total</i> imports in 1880 equalled about	.7—exports,	.87	
" " 1882	" .8	" 1.00	
" " 1883	" 1.2	" .8	

The principal exports are ivory, caoutchouc, seeds, spices, &c.

TURKEY.—Trade is carried on in the first place with Great Britain, then, a long way in the rear, by France, Austria, Russia, &c.

The *total* "turn-over" can only be given approximately.

From—	p. c.	p. c.
1870-80, the <i>average</i> imports equalled about	19.00—exports,	10.00

In—		
1881-82, the <i>total</i> imports equalled about	17.5	" 10.1
1882-83, " " "	18.2	" 9.96
1884-85, " " "	18.65	" 11.5

In addition, the tobacco export in 1884-5 equalled 11.5 per cent., and in 1885-86 about 8.75 per cent.

The principal exports are cereals, fruits (raisins, figs, &c.), valonia, cotton, opium, oils, wools, gum, &c.; and imports, textiles, sugar, flour, coal, &c.

Trade with the United Kingdom is as follows:—

The imports and exports from England to Turkey equalled:—

Imports		Exports		Imports		Exports	
p. c.		p. c.		p. c.		p. c.	
1870,	7.08	6.63 ;	thus	European Turkey	4.95	and	4.66
				Asiatic Turkey	2.13	„	1.97
1874,	7.03	5.84 ;	thus	European Turkey	4.63	„	3.58
				Asiatic Turkey	2.4	„	2.26
1881,	6.88	4.17					
1885,	6.13	4.68					

The *staple* export to England is corn (wheat, maize, &c.), followed by wool, goats' hair, valonia, opium, and fruits (raisins, sultanas, &c.) in exchange for coals, textiles, &c.

PERSIA.—Direct trade with Persia is very small, averaging for many years under .4 per cent., and this made up largely by the value of the opium export.

The total trade of Persia must be large and capable of great extension ; it has been roughly estimated that the total turnover averages 4.6 per cent. annually.

Independent Tartary and Afghanistan have no *direct* trade with Great Britain, their commerce being included in the returns of other countries, which varies in accordance with the demand and destination.

CHINA.—Commerce is mainly with Great Britain and the British colony of Hong Kong through the “treaty ports,” followed by India, the “States,” &c.

In—

				p. c.	—exports,		p. p.
1865,	the imports from England to China equalled			3.6			10.67
1870,	„	„	„	6.14	„	„	9.48
1874,	„	„	„	4.75	„	„	11.15
1881,	„	„	„	5.96	„	„	10.7
1884,	„	„	„	4.15	„	„	10.14
1885,	„	„	„	5.18	„	„	8.6

The *staple* export to England is tea (about 70 per cent. of the whole export), followed by silk, cotton, &c., in exchange for textiles. A large trade is done in English

commodities with the British Colony of Hong Kong, which is *geographically* a part of China, although the *Trade* is not included in the above. (See Hong-Kong below).

The growth of the *staple, tea*, is as follows :—

In—				p. c.
1864, exports from China to England,	112 $\frac{1}{4}$	million lbs.,	valued at	8.38
„ The <i>total</i> export equalled,	170	„	„	„
1866, exports from China to England,	127 $\frac{1}{2}$	„	„	10.18
1870,	123	„	„	8.5
1874,	127 $\frac{1}{4}$	„	„	8.7
1881,	151 $\frac{3}{4}$	„	„	7.5
1885,	131 $\frac{1}{4}$	„	„	6.00

Exports of *silk* show a marvellous rise in certain years, being in—

1867, valued at	.05 per cent.	;	1868, valued at	.08 per cent.
1869,	.3	„	1870,	.65
1871,	1.7	„	1872,	2.00
1873,	3.00	„		

falling away in 1874 to 2.00 per cent., and continuing without much fluctuation up to 1881, when they stood at 1.78 per cent ; in 1884 valued at 2.6 per cent. ; and in 1885 1 per cent.

The *total* turnover of Chinese trade does not show much variation in twenty years, being valued in 1864 at 64 per cent., and in 1885 at 55 per cent., fluctuating between these two points in the interim.

HONG KONG.—Commerce is carried on principally with England and colonies, the United States, Germany, &c.

				p. c.	p. c.
The English imports in	1870, equalled	3.4	—exports,	.28	
„	„ 1874,	3.65	„	.75	
„	„ 1881,	3.61	„	1.01	
„	„ 1884,	3.22	„	1.05	
„	„ 1885,	3.76	„	.97	

The *staple* export is tea,—followed by all Chinese and Eastern goods in exchange for all English commodities.

Tea export in 1874, equalled .39 per cent., and in 1885, .4 per cent.

Hong Kong is an emporium, and it is estimated that the *transit* value of goods equals at least twenty millions sterling per annum.

JAPAN.—Since the opening of the ports to international trade, commerce has wonderfully developed ; trade is carried on in about equal amounts with the United Kingdom and the United States, followed by China and France, &c.

In 1872 the total “turnover” was about 10.1 per cent. ; in 1874, 8.8 per cent. ; and in 1885, 12.88 per cent. ; the *imports* from 1872–1878 exceeding the exports by about 2 per cent., from this time gradually assimilating until in 1885 the reverse was the case, the exports exceeding the imports by 2 per cent.

The exports consist of silk, tea, copper, cuttle-fish, rice, coal, &c., and the imports, textiles (about 50 per cent.), sugar, minerals, and mineral oils, &c.

In—				p. c.		p. c.
1870,	the imports from England to Japan equalled			1.6	—exports,	.09
1874,	“	“	“	1.28	“	.54
1881,	“	“	“	2.82	“	.67
1885,	“	“	“	2.00	“	.5

The *staple* exports to England are silk, tobacco, copper, earthenware, &c., in exchange for iron and textiles.

APPENDIX.

VIEWS OF SOME ECONOMISTS ON NATIONAL DEBT.

MALTHUS.

The policy of national debts is discussed by Malthus in his "Principles of Political Economy," c. vii. A national debt is obnoxious to three considerable objections—(1) the interference with production caused by a heavy weight of taxation, (2) the danger to property resulting from the commonly received impression as to the burdensome character of the debt, and (3) the intensification of the evils which would result from any changes in the currency. On these grounds it might be advisable to diminish the debt gradually, and to guard against any future increase of it. But very great evils would arise from any sudden removal of the debt. To cancel it at a stroke would be a gigantic robbery. To pay it off suddenly would throw a great mass of capital into the market; profits would fall; and productive employment of capital be checked, until by its extensive migration or destruction no more remained in existence than the industrial circumstances of the country required. The fundholders, Malthus thinks, form a large body of unproductive consumers, and the stimulus afforded to industry by their presence would be lost when they ceased to be national creditors.

J. S. MILL.

Mr. Mill examines this subject in two parts of his great work on Political Economy, viz., in Book I. c. 5, and Book V. c. 7.

In the former place he discusses the question, whether extraordinary expenditure should be provided for by loans or by additional taxation.

Loans are not more obnoxious than taxation, in so far as they are drawn, not from the productive capital of the country, but from capital attracted from other countries, or which would not have been saved but for the inducement held out by the loan itself. When both loans and taxes would fall upon the productive capital of the country, the latter is the more judicious form of raising the sum required, because the taxes once paid, no further payments are necessary, while in the case of loans there would be the annual payment of the interest. There is a sure index, viz., a rise in the rate of interest, when government loans trench upon productive capital.

The second of the two passages referred to treats of the question in its general aspect. Expenses, in their very nature of a temporary character, should be met from present resources; but when expenditure is incurred with a view to future benefit, there is not in a progressive country any injustice in imposing a share of the cost upon those who are to share in the benefit. The argument brought forward in opposition to the payment of a national debt, viz., that in paying the interest there is no loss but only a transfer, is not decisive of the question. In as far as the national creditors are foreigners there is a loss; and when the national creditors are native citizens, the transfer being compulsory is not advantageous: it disturbs trade, diverts capital from productive employment, and much of the sum taken from the taxpayer being necessary to meet the expenses of collection, is therefore a clear loss.

Mr. Mill examines the two principal modes that have been proposed for paying off a national debt; first, by a general contribution levied upon all members of the society in proportion to their wealth; second, by an increase of taxation and a devotion of the surplus to the payment of the debt. The first scheme is practically inapplicable, and unjust in its operation. The second, subject to certain modifications, is accepted by Mr. Mill. By experimental reductions taxation should be so arranged that the largest net return is obtained at the least cost to the taxpayer. Keeping taxation at the scale thus determined, all the surplus revenue which accrues through the growth of the country in wealth should be appropriated to the reduction of the debt, the first portions paid off being such as were incurred upon the most onerous terms.

Some economists have defended a national debt, on the plea that it afforded a secure investment for the small savings of the less wealthy classes of the community. Mr. Mill thinks that this need is yearly diminishing, and also that the want could be met by the institution of a national bank of deposit and discount, with branches all over the country.

D. RICARDO.

Ricardo treats of the question of National Debts in his "Principles of Political Economy and Taxation," c. xvii.; and in his "Essay on the Funding System" (Collected works, by McCulloch, pp. 515 *et seq.*).

In the first-named part of his writings he shows that the real burden of a debt lies less in the annual payment made for interest than in the original loan. The capital of the debt was so much deducted from the productive funds of the nation. Ricardo brings two principal objections against the loan system generally: first, that it tends to render nations unthrift; and secondly, that when a nation has to pay a large sum annually as interest of debt, taxation may become so heavy as to induce capitalists to remove their capital from the country. In this way a large increase to the national debt might cause such an exodus of capital, as to bring the nation to the verge of bankruptcy and ruin.

The "Essay on the Funding System" is devoted to the discussion of two questions—that of a sinking-fund, and that of the best means of providing for additional expenditure caused by war. The history of the English sinking-fund is sketched at considerable length. The first was established under the administration of Sir Robert Walpole in 1716, but within twenty years it was broken in upon to meet the current expenses of the Government, and though it continued to exist down to 1786 it produced little or no effect upon the debt. Mr. Pitt's scheme, which replaced Walpole's, provided for the appropriation of one million annually to the formation of a sinking-fund. This million was to accumulate until it amounted to four millions, when it was to be devoted each year to the purchase of public funds, and by this means effect annually the extinction of a considerable amount of debt. In 1792 Mr. Pitt's scheme was subjected to a modification, which provided for the creation of a sinking-fund of 1 per cent. on all loans made; and in this way it was computed that every debt would be extinguished in forty-five years from its creation. In Ricardo's opinion had Mr. Pitt's scheme, with this addition, been fairly carried out, very considerable progress would have been made in the extinction of the National Debt. But it was altered so much by financiers who strove to win public applause by temporary rather than permanent, though more deferred, reduction of the weight of taxation, that it lost its distinctive features and became practically inoperative.

Three capital objections have been brought against sinking-funds, which Ricardo meets and answers. They are—first, that there would be a glut of capital caused by the repayment of large amounts of the national debt in the later years of the existence of a sinking-fund; second, that prices would in some cases fall to a ruinous extent by large

remissions of taxation, suddenly made when the sinking-fund had come into full operation; and third, that the capital taken from the community in the form of additional taxation, to provide for the fund, would be more productive in the hands of individuals, than in those of the commissioners of the fund.

Reverting to the second question, that of providing for the additional expenditure rendered necessary by war, Ricardo shows that this may be done in three ways: taxation to the required amount may be levied each year; the amount needed may be borrowed each year and funded, thus creating a perpetual charge on the revenue; or the amount may be borrowed, and at the same time means taken to create a fund, which should extinguish the debt in a limited number of years. The first mode is objectionable, because of the excessive taxation it would render necessary each year; the second is economically bad, because it creates a perpetual burden; and therefore the third is to be preferred; for it would be less burdensome each year than the first, less durable than the second.

J. B. SAY.

This distinguished French economist treats of the question of national debts in a chapter entitled, "De la Dette publique" (*Traité d'Economie politique*, Livre iii. ch. 10).

Public loans differ from private in this respect: while the latter are generally made with a view to an increase of production, the former are usually employed in unproductive purposes. There is a sophism in the assertion sometimes made, that state debts are owed by the right hand to the left. Before the Government borrowed and destroyed the capital of the individual, there existed two productive capitals and revenues. After the loan, the state has to take from the taxpayers the sum necessary to pay the interest of the borrowed capital. The lender still receives his revenue; but that of others has been diminished to a like amount in order to pay him his. Loans are either payable within a limited time [*remboursables*] or perpetual. As the former have been usually framed, they are virtually lotteries, and are radically vicious, and little resorted to by modern financiers. If government loans consisted for the most part of small capitals, which would not otherwise be productively employed, and if, when borrowed, the Government applied these capitals to production, loans would be defensible. They are also advantageous when they permit a necessary and profitable expenditure, large in amount, to be spread over a term of years. This advantage, however, is very liable to be

abused, by casting on posterity burdens which the present generation ought legitimately to bear. Loans divert capital from production to unprofitable consumption. A large national debt is objectionable, on the score of offering an inducement to gambling speculations, and of placing, to some degree, under government control a large body of fundholders.

On the question of the reduction of a national debt, M. Say points out the economical unsoundness of sinking-funds [*des caisses d'amortissement*]. Their effect has not at all been what was anticipated; they have been diverted from their destined purposes, and have fostered the increase rather than the diminution of indebtedness. A state, like an individual, has but one mode of clearing itself from debt—viz., to devote to that object all excesses of income over expenditure. In order to render this effective, every expense should be kept at the lowest point consistent with the proper performance of the duties of a government.

ADAM SMITH.

The question of national debts is examined by Adam Smith in his "Wealth of Nations," Bk. v. c. 3, "Of Public Debts." In feudal times there was no necessity for resorting to this mode of providing for the national expenditure. As feudality disappeared, loans began to come into fashion. Wasteful of their revenues in times of peace, sovereigns were compelled to borrow in time of war. Contemporaneously with the need for loans, arose both the ability and the inclination on the part of capitalists to lend. Governments borrowed upon two kinds of credit; they set apart a particular source of income as a security for the debt, or they mortgaged some one or more sources of income to provide for the repayment. The former mode gave rise to what is known as the unfunded or floating debt; the latter to the funded or consolidated debt. Funded debts differed thus—the fund mortgaged would be sufficient to pay off both the principal and the interest of the debt in a limited number of years, or would be sufficient to provide for the payment of the interest only. The first constitutes what is called terminable annuities; the second, perpetual annuities.

Having thus touched upon the general question, Adam Smith details with great minuteness the growth of the English debt, and the insignificant diminution made in it during periods of peace. Passing to the consideration of modes of paying off or reducing national debts, he reprobates the plan, not uncommon in earlier times, of raising the denomination of the coinage. By this means, while the nominal

amount repaid was equal to that borrowed, the real repayment fell below the amount of the loan in proportion to the depreciation of the currency. He then proceeds to propound his own scheme for the extinction of the English national debt. A readjustment of taxation would, perhaps, produce some augmentation of the revenue ; but this would have a comparatively trifling effect upon such a debt as that of England. The Colonies have, however, benefited by the expenditure which rendered the creation of a debt necessary, while they remain exempt from all taxation for Imperial purposes. By extending the British system of taxation to the Colonies, there would be a large augmentation of the revenue, and the surplus thus arising should be applied to the reduction of the debt. This increased taxation would, by its very nature, be but temporary ; for when it had effected the purpose for which it was imposed, the taxes would be remitted, and at the same time, there would have disappeared the heavy burden, before necessary to pay the interest of the debt. The territorial acquisitions of the East India Company might also be rendered available for the same object.

Adam Smith is decidedly opposed to the policy involved in the creation of a debt. It is a fallacy to suppose that no detrimental results follow from what some economists have called making payments by the right hand to the left. Productive capital is diminished, industry is embarrassed, and numerous instances can be adduced to show that "the practice of funding has gradually enfeebled every state which has adopted it." If Great Britain appears to be an exception, and the load of debt she has incurred seems to be borne with ease, it must not be argued from this, that the burden might be safely increased without causing disturbance and distress.

MACAULAY,

It might not be without interest to give in this connection the views of one of our great historians, who in the course of his work has to narrate the history of the origin of the English national debt.

Lord Macaulay (*History*, vol. vi. c. 19) has devoted a short but brilliant paragraph to this topic. He shows how a long series of statesmen and economists alike, with each fresh addition to the debt, predicted the close approach of bankruptcy and ruin. There was a double fallacy in the arguments of these "prophets of evil." They regarded a state debt as precisely analogous to a debt owed by an individual ; and they made no allowance for the continual improvement in the resources of the country. Macaulay's own conclusion is "that we find

it as easy to pay the interest of eight hundred millions as our ancestors found it to pay the interest of eighty millions," and that "a long experience justifies us in believing that England may in the twentieth century be better able to support a debt of sixteen hundred millions, than she is at the present time to bear her present load." The effect of the system of funding is considered by Macaulay as salutary, in giving "intelligence an advantage over brute force, and honesty an advantage over dishonesty;" for "the power of a society to pay debts is proportioned to the progress which that society has made in industry, in commerce, and in all the arts and sciences which flourish under the benignant influence of freedom and of equal law. The inclination of a society to pay debts is proportioned to the degree in which that society respects the obligations of plighted faith."

TENNANT.

"If the sum received in dividends on the national debt were paid in taxes, and if these two sums precisely coincided in amount, and if there were no expenses of collection, and *if the taxes did not interfere with the production of wealth*, the national debt would not diminish the national wealth, though it could not augment it.

"It would be a mere matter of distribution.

"But the expense of collecting the national revenue, and the interference of taxation with production, are so much pure loss, and by the removal of these two sources of expense and loss, we should be richer if we were relieved of the national debt.

"To relieve ourselves of the national debt may not be conveniently within our power; to relieve ourselves, however, of the worst consequences of it is easily within our power.

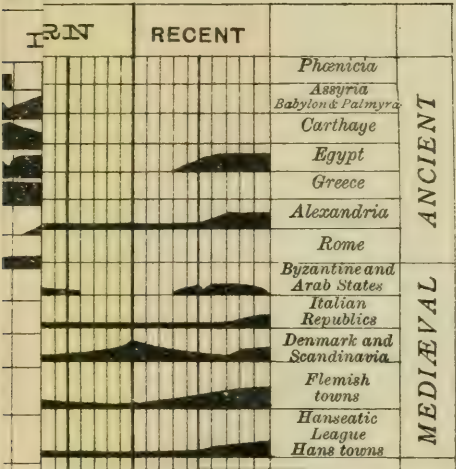
"But, still the fact remains that the national debt—now, in round numbers, about £800,000,000—is a mortgage laid upon taxes; and this is a great evil, as also a great breach of the much boasted, but much violated English constitution; for it is the great privilege of each House of Commons in turn to exact taxes at pleasure, and no existing House has any right to engage that taxes shall be voted by its successor.

"Our national debt is, therefore, a national evil, and has been fixed on us and posterity by unconstitutional means; but this evil, great as it is, is often exaggerated in its evil effects, and made to appear to be a greater evil than it really is." *

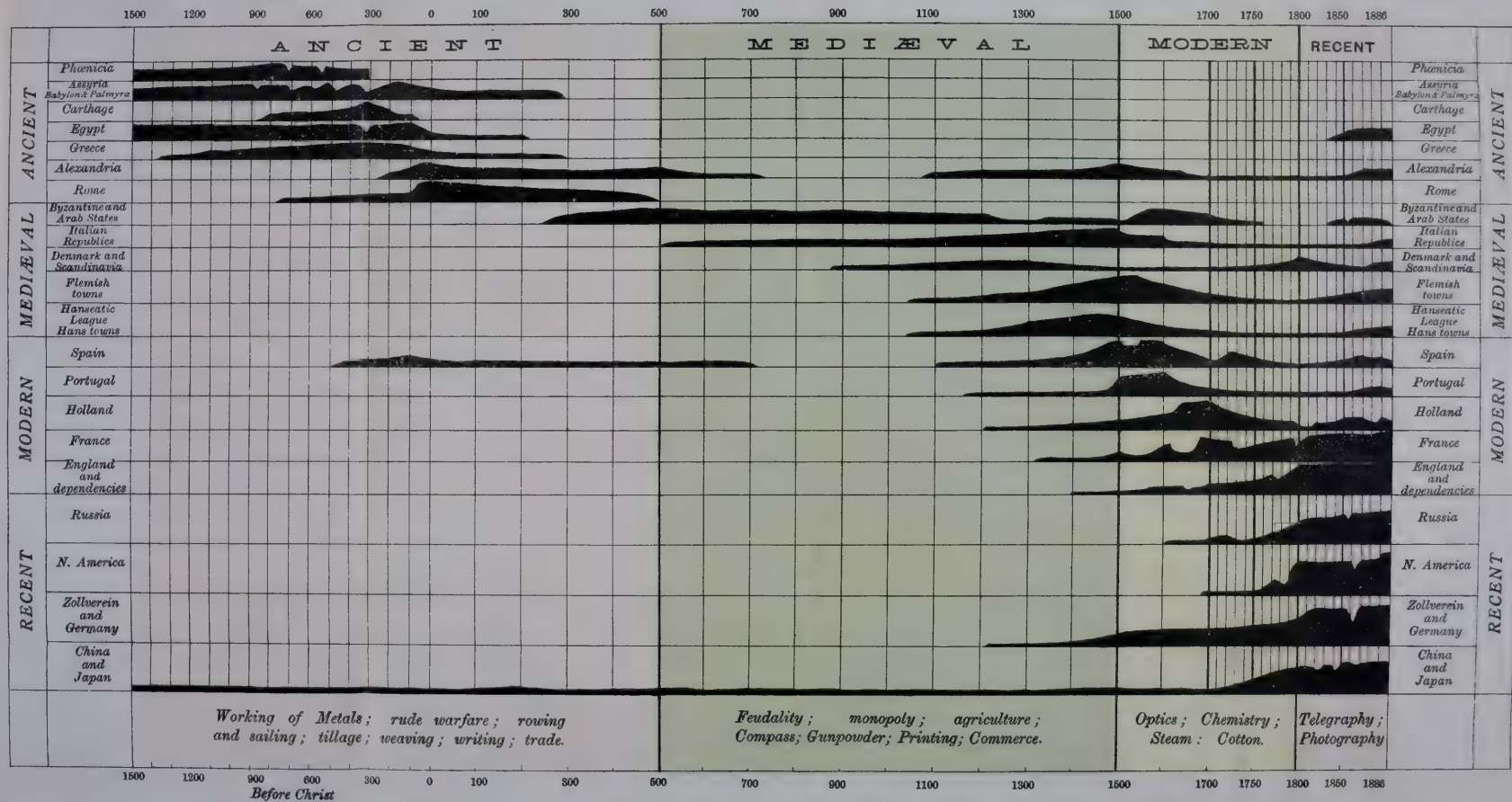
* "The People's Blue Book, or Taxation, as it is, and as it ought to be," by C. Tennant.

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300 1750 1800 1850 1886



Historical Chart shewing the Rise, Progress, Culmination and Decline of Commercial Nations, from 1500 before Christ to A.D. 1886.



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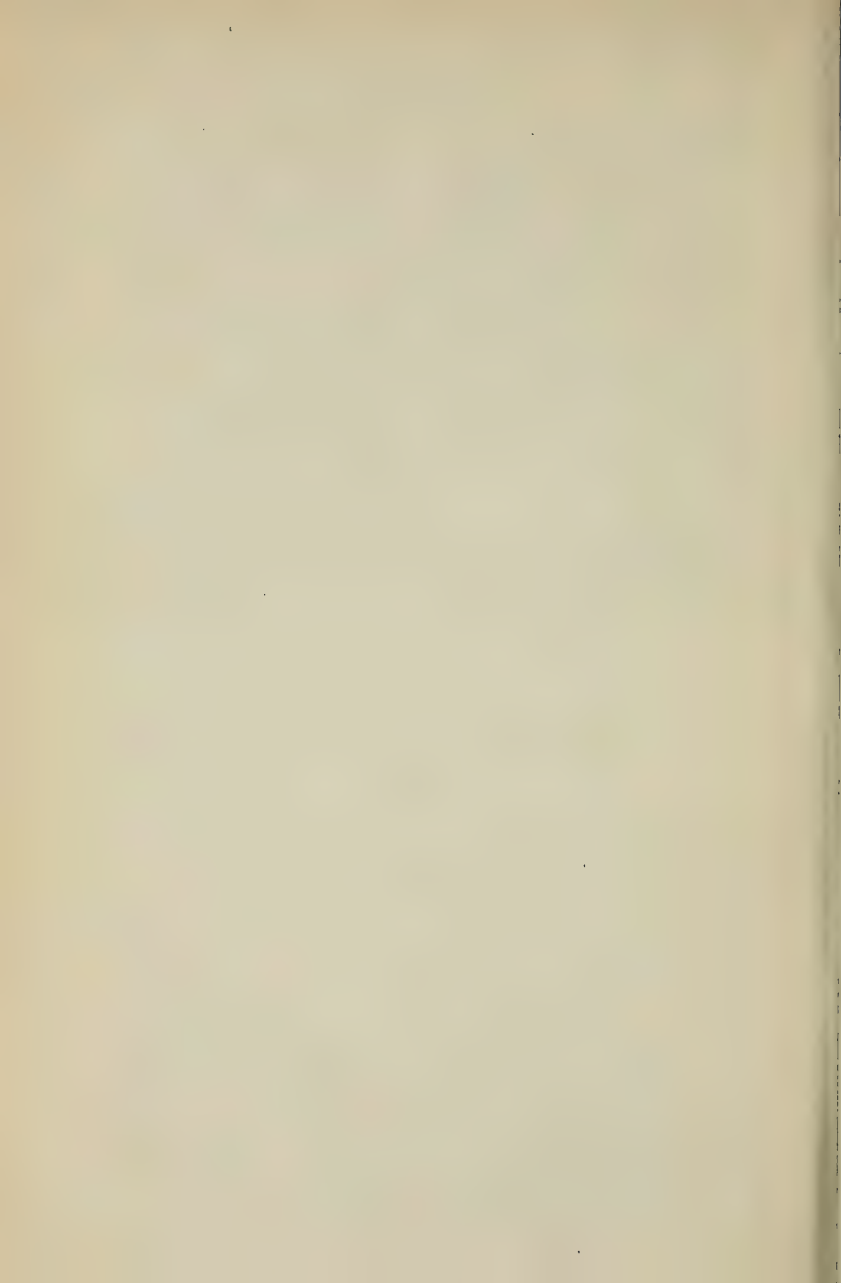
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